

FEDERAL BUREAU OF INVESTIGATION

FORM NO. 1
THIS CASE ORIGINATED AT OMAHA

FILE NO. 71-247

REPORT MADE AT WASHINGTON, D.C.	DATE WHEN MADE OCT 10 1951	PERIOD FOR WHICH MADE 10/4/51	REPORT MADE BY [REDACTED] LSH:HT
TITLE ① [REDACTED]	CHARACTER OF CASE INTERSTATE TRANSPORTATION OF GAMBLING DEVICES		

SYNOPSIS OF FACTS:

*Rec'd
Oct 10 1951
OMA*

Monthly inventories of gambling devices submitted by Mayflower Distributing Company, St. Paul, Minnesota, and its Omaha, Nebraska, branch to the Attorney General in compliance with Public Law 906, obtained and set forth.

RUC

DETAILS: AT WASHINGTON, D.C.

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The Minneapolis Division by teletype to the Washington Field Division, dated October 3, 1951, requested that there be obtained from the Attorney General's office a complete list of coin operated devices submitted by the Mayflower Distributing Company, St. Paul, Minnesota, and directed that copies of the investigative report be sent to Chicago, Omaha, and Springfield Division.

[REDACTED], Official Registrar of Records, Room 3524, United States Department of Justice, furnished the file on the Mayflower Distributing Company which contained correspondence and inventories of gambling devices and parts submitted to the Attorney General in compliance with Public Law 906, for the Company's principal place of business, 2218 University Avenue, St. Paul, Minnesota, and its branch at 1209 Douglas Street, Omaha, Nebraska. The Company submitted inventories for June, July, and August subsequent to its registration with the Attorney General on June 4, 1951.

APPROVED AND FORWARDED: <i>R.B. Hood</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES		
COPY IN FILE		71-3129-56	RECORDED - 119	
COPIES OF THIS REPORT		OCT 11 1951	INDEXED 119	
3 - Bureau 2 - Washington Field		19		
3 - Omaha (71-216)(Encl)				
(1 - USA) COPIES DESTROYED				
3 - Minneapolis (71-161) 85 AUG 17 1966			EX. - 8	
(1 - USA) Minneapolis				
2 - Chicago (71-514)				
2 - Springfield (71-100)				

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6 OCT 1951 1336

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The inventory for August 1951 will be set forth below and any variances with the June and July inventories will be mentioned:

MAYFLOWER DISTRIBUTING COMPANY, ST. PAUL, MINNESOTA

<u>Quantity</u>	<u>SLOTS</u>	<u>Manfg.</u>	<u>Type</u>	<u>Denomina- tion</u>	<u>Serial Number</u>
5		Mills	Black Gold	5¢	564249-564372 548477-564653 548473
5		Mills	Black Gold	10¢	550802-258985 564462-550818 557092
3		Mills	Black Gold	25¢	564764-548163 548155
7		Mills B	Black Cherry	5¢	496864-507362 596811-513509 504334-507243 484569
2		Mills	Black Cherry	10¢	MS481-487967
3		Mills	Black Cherry	25¢	184066-505606 181506
2		Mills	Golden Falls	5¢	579665-519068
2		Mills	Golden Falls	10¢	545374-501182
1		Mills	Golden Falls	25¢	537205
1		Mills	Chrome Bell	5¢	MS211
3		Mills	Blue Bell	5¢	574227-MS561 567888
3		Mills	Blue Bell	10¢	571809-568063 565908
2		Mills	Blue Bell	25¢	566121-568221
4		Mills	Jewell Bell	5¢	547709-542809- 543844-549869
3		Mills	Jewell Bell	10¢	537306-549909 536060
4		Mills	Jewell Bell	25¢	547002-548647 561850-581880

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MAYFLOWER DISTRIBUTING COMPANY
ST. PAUL, MINNESOTA

CONSOLES

<u>Quantity</u>	<u>Manfgr</u>	<u>Type</u>	<u>Number</u>
1	Mills	3 Bell	M-321
1	Bally	Club Bell	BC-301
3	Jennings	Fast Tie	JF-101-102-103
43	Mills	Four Bells	M4-501-502-503-504-505-506 507-508-509-510-511-512 513-514-515-516-517-518 519-520-521-522-523-524 525-526-527-528-529-530 531-532-533-534-535-536 537-538-539-540-541-542 543
28	Mills	Jumbo Parade	MJ-601-602-603-604-605-606 607-608-609-610-611-612 613-614-615-616-617-618 619-620-621-622-623-624 625-626-627-628
7	Jennings	Silver Moon Console	JS-701-702-703-704-705-706 707
4	Bally	Triple Bell	BT-2701-2702-2703-2704

MAYFLOWER DISTRIBUTING COMPANY
1209 DOUGLAS STREET
OMAHA 2, NEBRASKA

<u>NAME</u>	<u>DENOMINATION</u>	<u>MANUFACTURER</u>	<u>SERIAL NO.</u>
2 Draw Bells	5¢	Bally	1980-2405
9 Hi Hands	5¢	Bally	29079-26967 30088-341 29284-28559 376-377-378

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<u>NAME</u>	<u>DENOMINATION</u>	<u>MANUFACTURER</u>	<u>SERIAL NO.</u>
11 Triple Bells	5-5-5¢ 5-10-25¢	Bally Bally	1306 1538-1509 2751-2909 2405-2270 2750 1968-1588 2786
1 Reserve Bell	5¢	Bally	6870
2 Track Odds	5¢	Buckley	12329-13021
7 Keeney Bonus Bells	5¢	Keeney	1999-658 1742-2792 630-1515 380
8 Super Bonus Bells	5¢	Keeney	5128-6840 6922-356 6842-5119 5262-6854
9 Two Way Super Bonus	5 & 25¢	Keeney	2968-2969-2970 2971-2972-2973 2974-2975-2976
2 Gold Nuggets	5 & 25¢	Keeney	6597-6598
1 Mills Three Bell	5-10-25¢	Mills	1222
3 Four Bells	5¢	Mills	815-537-814
1 Jumbo Parade	5¢	Mills	389
1 Big Game	5¢	Wattling	382
3 Big Parlays	5¢	Keeney	628-627-709
2 Draw Bells	5¢	Bally	2004-3910
1 Clover Bell	5-25¢	Bally	1449

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The Company by letter to the Attorney General dated June 30, 1951, submitted its inventory and record of sales and deliveries as of the month of June 1951. The last paragraph of this letter is being set forth:

"There have been no sales or deliveries from our principal place of business at 2218 University Avenue, St. Paul, Minnesota, and the inventory for this office remains the same as of the date of original registration. However, there has been a sale of three items from our branch office at 1209 Douglas Street, Omaha, Nebraska, as appears by the record of sales and deliveries for that office attached hereto."

The attachment mentioned in the June 30 letter is set forth:

RECORD OF SALES AND DELIVERIES
MAYFLOWER DISTRIBUTING CO.
1209 Douglas St. Omaha, Nebraska

2 Used Bally Triple Bells, #1509, #2786
1 Used Mills Three Bells, #1222

The above items were sold to:

X Paul's Novelty, Regd.
7241 St. Huber St.
Montreal, Canada

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Via Railway Express June 22, 1951

It will be noted that the serial numbers on the three machines sold to Paul's Novelty, Regd., also appear on the inventory of machines as submitted by the Omaha Branch and identified above for the month of August. The same serial numbers also appear on the inventories for the two preceding months. Information in the file in [redacted] office does not disclose the reason why the three machines are carried on the July and August inventories.

The Company by letter dated July 31, 1951, to the Attorney General submitted inventory as of the close of the month of July 1951. This letter mentioned that there has been no sales or deliveries from the principal place of business in St. Paul and that the inventory remained the same as of the time of the original registration. The letter also mentioned that there had not been any sales or deliveries from the branch office at Omaha during July 1951.

The last paragraph of this letter is set forth:

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"The inventory in our Omaha Office has been increased during the month of July by three items which have come into our inventory as a result of repossession proceedings. These items were originally sold on contract to the purchaser prior to January 2, 1951, and were not involved in any interstate traffic either in the original sale or in the course of repossession."

By referring to the inventory set forth above for the Omaha Branch the three repossessed machines are identified as 2 Draw Bells, serial numbers 2004 and 3910, and 1-Clover Bell, serial number 1449.

The letter from the Company to the Attorney General, dated August 31, 1951, enclosing the August inventories, mentioned there had been no sales or deliveries from either the principal place of business in St. Paul or the branch office at Omaha during the month of August and the respective inventories at both places remained the same as at the close of the previous month.

In a letter to the Attorney General dated August 3, 1951, from the Company the following paragraph is being set forth:

"We wish to advise that there have been no sales or deliveries of any merchandise whatsoever covered by the Act by either our principal place of business or our branch office from January 2, 1951 up to and including May 31, 1951, and that the only sales or deliveries or increases in our inventory have been subsequent to June 20, 1951, and are reported in our monthly inventory and record of sales previously submitted to your office."

The file in [redacted] office to include the correspondence and inventories submitted has been photostated and is furnished herewith to the office of origin for its information.

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ENCLOSURES TO: OMAHA

Letters (3) to the Attorney General of the U.S. from the Mayflower Distributing Company, St. Paul, Minnesota, dated June 4, June 18, and August 3, 1951.

Letter to the Attorney General from the Mayflower Distributing Company dated June 30, 1951, enclosing inventory and record of sales and deliveries as of the close of the month of June 1951 with attachment.

Attachment is record of sale of three slot machines to Paul's Novelty Regd., Montreal, Canada.

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Enclosures consist of six pages and identify machines at St. Paul and Omaha and inventory of parts.

Letter to the Attorney General from the Mayflower Distributing Company dated July 20, 1951, enclosing inventory as of the close of the month of June 1951 showing further identification of the inventory by serial numbers.

Inventory consists of six pages identifying machines at St. Paul and Omaha and inventory of parts.

Letter to the Attorney General from the Mayflower Distributing Company dated July 31, 1951, enclosing inventory as of the close of the month of July 1951.

Inventory consists of six pages and identifies machines in St. Paul and Omaha and inventory of parts.

Letter to the Attorney General from the Mayflower Distributing Company dated August 31, 1951, enclosing inventory as of the close of the month of August 1951.

Inventory consists of six pages and identifies machines at St. Paul and Omaha and inventory of parts.

REFERRED UPON COMPLETION TO THE OFFICE OF ORIGIN

WFO 71-247

ADMINISTRATIVE PAGE

REFERENCE: Teletype to the Washington Field Division from
Minneapolis dated October 3, 1951, and the report
of SA [redacted] dated August 17, 1951, at
Washington, D.C.

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b7C

G. I. R.

FBI, OMAHA

9-20-51

8-35 PM CST

DIRECTOR, FBI AND SAC-S, MINNEAPOLIS AND SPRINGFIELD

DEFERRED

[REDACTED], WAS, [REDACTED], WA, ITGD. REREP OF SA
[REDACTED], APRIL FIVE, FIFTYONE, OMAHA, AND TEL TO BUREAU
MARCH TWENTYSEVEN, FIFTYONE. [REDACTED] FORMER JUKE BOX
OPERATOR AND PRESENTLY [REDACTED] DAVENPORT, IOWA,
TODAY FURNISHED THE FOLLOWING INFORMATION. [REDACTED] WAS UNTIL
RECENTLY EMPLOYED BY THE PASTER INTEREST OF ST. PAUL, MINN., ALSO
THE P AND S DISTRIBUTING CO., DES MOINES, IOWA, A PASTER SUBSIDI-
ARY, AS [REDACTED] FOR COIN OPERATED MACHINES IN EASTERN IOWA ON A
SALARY AND COMMISSION BASIS. DURING THE LAST SIXTY DAYS [REDACTED]
ADVISED [REDACTED] THAT HE HAS INTENSE HATRED OF THE PASTER INTERESTS
AND [REDACTED] AS THEY CHEATED HIM OUT OF TWELVE THOUSAND
DOLLARS IN ACCUMULATED EARNINGS AND COMMISSIONS - THAT [REDACTED]
IN HIS PRESENCE HAD SAID HE WOULD DO VIOLENCE TO [REDACTED]
SHOULD HE EVER SUBSEQUENTLY ENCOUNTER HIM AND THAT HE WOULD EVENTU-
QUOTE GET EVEN UNQUOTE WITH THE PASTER INTERESTS AND [REDACTED].
RECORDED 194 71-3125-5
SAYS HE PERSONALLY DISLIKES [REDACTED] AND THE PASTER INTERESTS BECAUSE
OF FINANCIAL LOSSES EXPERIENCED BY HIM IN THE PAST AS A RESULT OF
END OF PAGE ONE

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b7c

EX. - 8

• 10071731 4336

..... PAGE TWO

DEALINGS WITH THEM WHICH LOSSES [REDACTED] ASCRIBES TO THEIR CHEATING AND UNETHICAL BUSINESS PRACTICES. [REDACTED] SAYS HE IS OF THE OPINION THAT THERE IS A STRONG POSSIBILITY THAT IF QUESTIONED [REDACTED] MIGHT BE WILLING TO FURNISH DETAILED INFORMATION CONCERNING THE

ACTIVITIES

OF [REDACTED] AND PASTER INTERESTS IN CONNECTION WITH THE ACQUISITION OF SLOTS IN THE DAVENPORT, IOWA DASH ROCK ISLAND, ILL. AREA DURING FEBRUARY AND MARCH LAST, AND THEIR TRANSPORTATION TO MINNESOTA. INVESTIGATION PREVIOUSLY CONDUCTED BY THIS OFFICE REFLECTS THAT [REDACTED] IS PROBABLY IN POSSESSION OF COMPLETE DETAILS OF SUCH OPERATIONS, INCLUDING THE DETAILS OF THE SHIPMENT OF MACHINES FROM ROCK ISLAND, ILL. ON MARCH TWO LAST, DESCRIBED IN REF REP. [REDACTED]

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[REDACTED] WHO HAS PREVIOUSLY BEEN COOPERATIVE IN THIS INVESTIGATION HAS ALSO ADVISED OF THE EXISTING HARD FEELINGS BETWEEN [REDACTED] AND [REDACTED] AND THE PASTER INTERESTS AND INDICATES HE BELIEVES THAT THERE IA A STRONG PROBABILITY THAT [REDACTED] MIGHT THEREFORE BE WILLING TO DISCLOSE HIS FULL KNOWLEDGE OF PERTINENT INFORMATION. BOTH [REDACTED] AND [REDACTED] BELIEVE THAT [REDACTED] CONNECTION WITH THIS CASE CAN BE ATTRIBUTED

..... END OF PAGE TWO

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b7D

..... PAGE THREE

SOLELY TO THE FACT OF HIS PREVIOUS STATUS AS A PASTER EMPLOYEE, AND THAT THERE IS LITTLE, IF ANY, PROBABILITY THAT [REDACTED] SUBSEQUENT ACTIVITIES WOULD INCLUDE FURTHER EFFORTS TO TRANSPORT SLOT MACHINES WHICH MIGHT CONSTITUTE A FEDERAL VIOLATION. THEY ALSO HAVE EXPRESSED THE BELIEF THAT DUE TO HIS KNOWN ANIMOSITY TOWARD THE PASTER INTERESTS AND [REDACTED], THAT IT WOULD BE DOUBTFUL THAT HE WOULD DISCLOSE TO THEM THE FACT OF HIS BEING INTERVIEWED ALTHOUGH THEY COULD NOT GUARANTEE THIS. A CHECK OF THE RECORDS TODAY AT BLACKHAWK HOTEL, DAVENPORT, IOWA, REFLECTS [REDACTED]

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[REDACTED] HAS NOT REGISTERED THERE SINCE MARCH EIGHT LAST. [REDACTED] SAYS HE HAS NOT KNOWN OF [REDACTED] BEING IN DAVENPORT FOR A CONSIDERABLE PERIOD OF TIME AND THAT HE WOULD UNDOUBTEDLY KNOW OF [REDACTED] PRESENCE THERE. FROM INFORMATION ^{SO} APPLIED TO HIM CONFIDENTIALLY BY [REDACTED] ^{PE T/A} ON MARCH SEVEN LAST, [REDACTED] DOUBTS THAT EITHER [REDACTED] OR OTHER REPRESENTATIVES OF THE PASTER INTERESTS HAVE ANY INTENTION OF PURCHASING SLOT MACHINES IN THE DAVENPORT AREA IN THE FUTURE OR IN TRANSPORTING ANY MACHINES WHICH MAY STILL BE LOCATED IN THAT AREA. ON SEPTEMBER SEVENTEEN LAST, [REDACTED]

..... END OF PAGE THREE

..... PAGE FOUR

DAVENPORT ELKS LODGE, WHO HAS BEEN HIGHLY COOPERATIVE, ADVISED THAT THE THIRTYEIGHT SLOTS BELONGING TO THAT LODGE ARE STILL ON HAND AND THAT NO ONE HAS SHOWN ANY INTEREST THEREIN SINCE MARCH TWO LAST, EXCEPT FOR A SUPERFICIAL INQUIRY BY [REDACTED] ON JUNE ONE LAST, AS TO WHETHER OR NOT THEY WERE STILL IN STORAGE. [REDACTED] EXPRESSES DOUBTS THAT THERE WILL BE ANY FURTHER EFFORTS MADE TO PURCHASE THE MACHINES AND THE MEMBERSHIP OF THE CLUB BEING RECONCILED TO THIS, ARE NOW DISCUSSING THEIR DESTRUCTION. CONSIDERATION IS BEING GIVEN TO INTERVIEW [REDACTED] ON SEPTEMBER TWENTYTWO NEXT. MINNEAPOLIS AND SPRINGFIELD REQUESTED SUTEL WHETHER OR NOT THEY HAVE ANY OBJECTIONS TO SUCH INTERVIEW, AND IN THE ABSENCE OF SUCH OBJECTION, [REDACTED] WILL BE INTERVIEWED UACB. [REDACTED] NOW REPORTEDLY SELLING FARM MACHINERY AND IS STILL RESIDING AT LE CLAIRE, IOWA. IDENTITIES OF [REDACTED] AND [REDACTED] SHOULD BE FULLY PROTECTED.

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[REDACTED]
END AND ACK XX CORRECTION LINES 13 AND 14 PAGE THREE FOLLOW
"PRESENCE THERE. FROM INFORMATION SUPPLIED TO HIM CONFIDENTIALLY BY
[REDACTED] MARCH SEVEN LAST, [REDACTED] DOUBTS THAT EITHER [REDACTED] OR OTHER"
END AND ACK IN O PLS

WA 10-49 PM OK FBI WA GLE

MP OK FBI MP DJO

SIQORLFBISI DRB

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: October 6, 1951

FROM : SAC, CHICAGO

SUBJECT: [REDACTED], WAS., ET AL
INTERSTATE TRANSPORTATION OF
GAMBLING DEVICES

AT 8-1

Rebulet September 20, 1951.

b6
b7CThere is transmitted herewith one additional copy of the report
of Special Agent [REDACTED], Chicago, September 6, 1951.

Enclosure

ENCL KON:BJB
71-514

EX-105

G.I.R.-5

RECORDED - 118 71-
OCT 9 1951
5

58

EX-105

Conrad Det. 105

D.J. (M) 26/8/51

4336

Office Memorandum • UNITED STATES GOVERNMENT

TO: [REDACTED] : DIRECTOR, FBI (71-3129)

DATE: October 11, 1951

FROM: SAC, Omaha

SUBJECT: [REDACTED] 10, was, et al

INTERSTATE TRANSPORTATION OF GAMBLING DEVICES

wf 8/

611
Re mylet September 29, 1951, and mylet September 18, 1951.

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Extensive investigation has been performed subsequent to the initial interview with [REDACTED], the results of which are set out in the first above referenced letter, and a re-interview of [REDACTED] on October 1, 1951, at which latter interviewed, [REDACTED] executed a lengthy signed statement incorporating the details of the various dealings mentioned in the first above referenced letter.

Investigation is continuing in the territory of the Omaha Division and it is anticipated that additional violations may be developed which involve [REDACTED] and the Paster Distributing Company of St. Paul, Minnesota, also possibly involving HERMAN PASTER and other officials of that concern.

In view of the developments in this case subsequent to the preparation of the second above mentioned referenced letter, it is believed advisable to defer the preparation of an investigative report until such time as the investigation predicated upon [REDACTED] information is completed. Accordingly, UACB, the preparation of such report will be deferred temporarily although the investigation of this matter will receive preferred attention and an investigative report will be submitted at an early date.

71-206
CCM:imm

cc: Chicago (71-514)
Minneapolis (71-161)
Springfield (71-100)

(G.I.R.5)

RECORDED - 46

71-3129-59
OCT 15 1951
19

INDEXED - 46

EX-5

610826 1951

2 356

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (71-3129)

DATE: 10/11/51

FROM : SAC, MINNEAPOLIS

SUBJECT: [REDACTED] was, et al
INTERSTATE TRANSPORTATION OF
GAMBLING DEVICES

Re Omaha memorandum to Bureau dated 9/29/51 requesting ten copies of [REDACTED]
photo and Minneapolis teletype to Bureau and Omaha dated 10/4/51.

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At the Office of the Dean of the Law School, University of Minnesota, Minneapolis, Minnesota, through a contact, there was borrowed a small photograph of [REDACTED] which was taken in 1939 while a student at law school. This small photo was enlarged and extra copies made and the original has been returned to that office.

Accordingly, it should be born in mind that in case any publicity results regarding [REDACTED] that this photo should not be released to the press in order to avoid embarrassment to the officials of the University of Minnesota.

One copy of this photograph is being enclosed, herewith, to the Bureau, Springfield and Chicago Offices, while ten copies are being enclosed, herewith, for the Omaha Office.

The description appearing on the back of these photographs was taken from page seven of the report of Special Agent [REDACTED] dated March 22, 1951 at Minneapolis, Minnesota, which description was obtained from the application on file at the Minnesota Drivers License Division at St. Paul, Minnesota.

RNP:PLH

71-161

Enc.

cc: Springfield (71-100) (Enc.)
Chicago (71-514) (Enc.)
2cc: Omaha (71-3129) (Encs.)

RECORDED 14-2189 60
OCT 13 1951
INDEXED-14 12

X-141

ENCLOSURE
FBI - MINNEAPOLIS

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (71-3129)

DATE: October 19, 1951

HCO
FROM : SAC, CHICAGO

b6
b7C

SUBJECT: [REDACTED], Was. Et Al
INTERSTATE TRANSPORTATION OF
GAMBLING DEVICES

Re Minneapolis letter to Director dated October 8, 1951,
copies of which were designated for Chicago, Omaha, and
Springfield.

The Chicago office is enclosing herewith photographs fur-
nished by the Minneapolis office of Capital Air Freight
truck and they are being furnished to the Bureau, Omaha,
and Springfield per instructions in referenced letter.

These photographs were developed and have been identified
with the negatives by SA [REDACTED] with the assistance
of [REDACTED], Photo Lab Clerk. RUC.

JFG:OH

71-514

cc: Omaha (Enc.) (71-206)
Springfield (Enc.) (71-100)
Minneapolis (Enc.) (71-161) (Registered Mail)

ENCL

EX-15

RECORDED - 38

EX-15

71-3129-61
Oct 22 1951



b6
b7C

ENCLOSURES (1) TO BUREAU

[REDACTED], Et Al
INTERSTATE TRANSPORTATION OF
GAMBLING DEVICES
(Bufile 71-3129)

1 set of photos of Capital Air
Freight Truck

Chicago File 71-514

ENCLOSURE



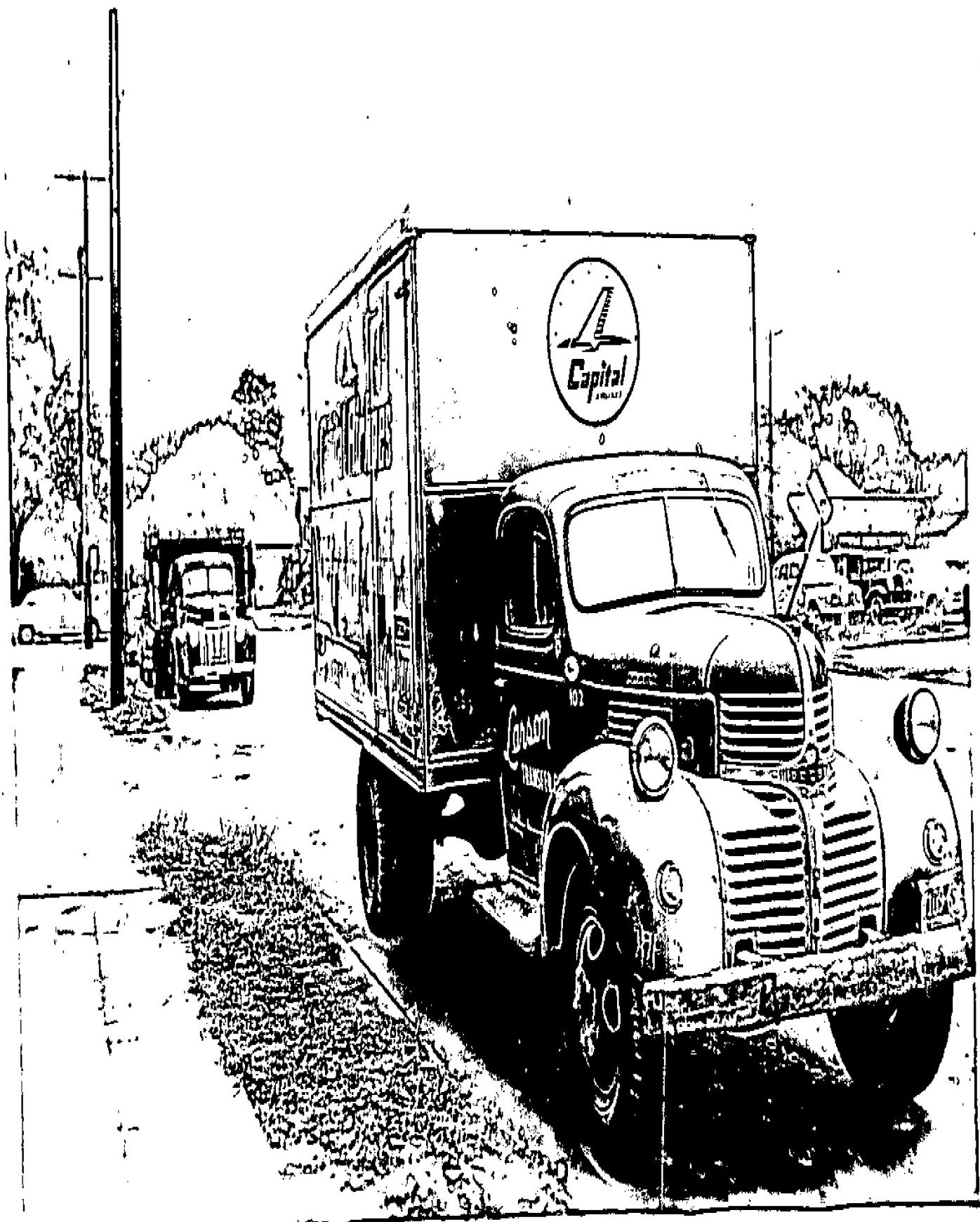
ENCLOSURE

71-3129-61

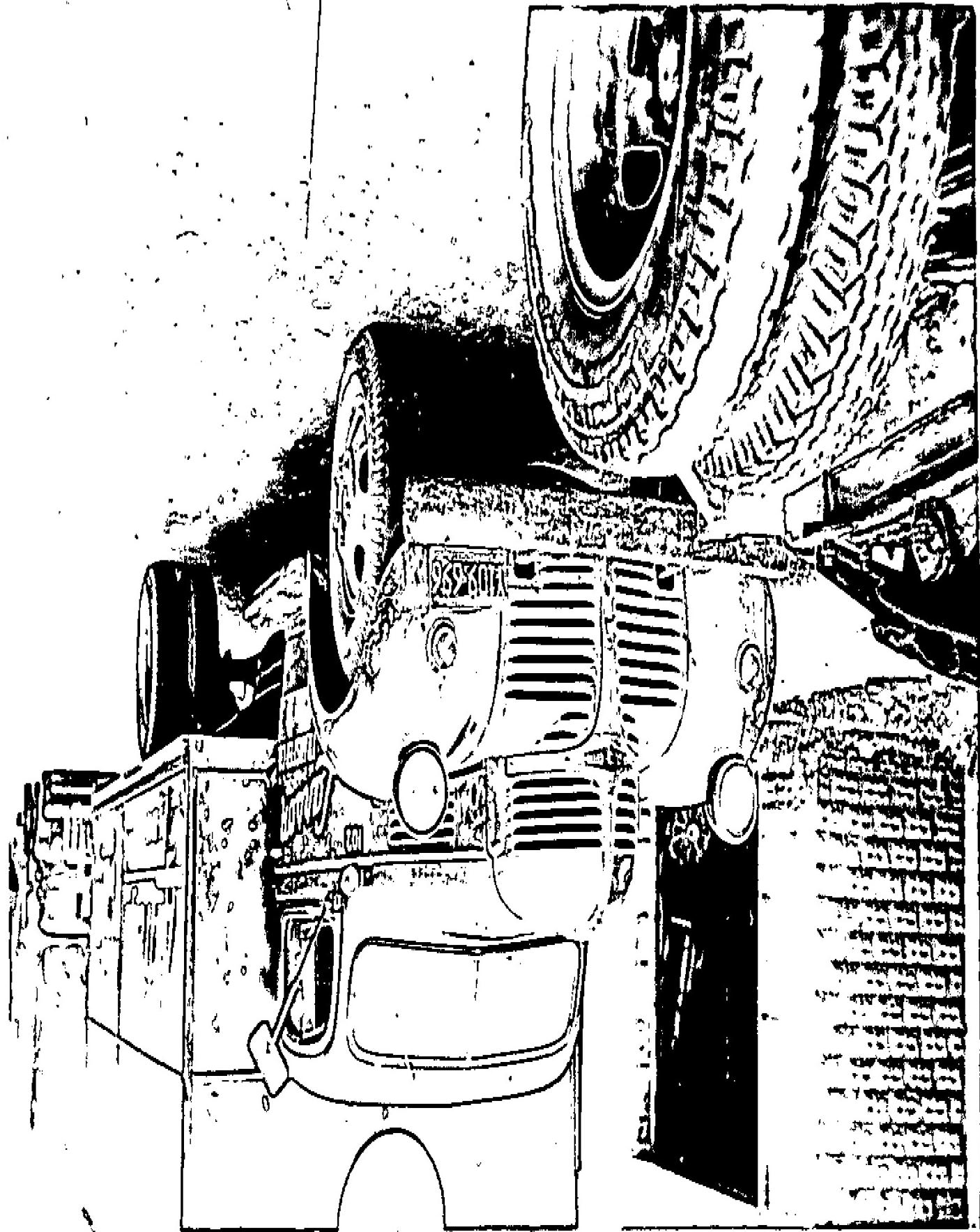




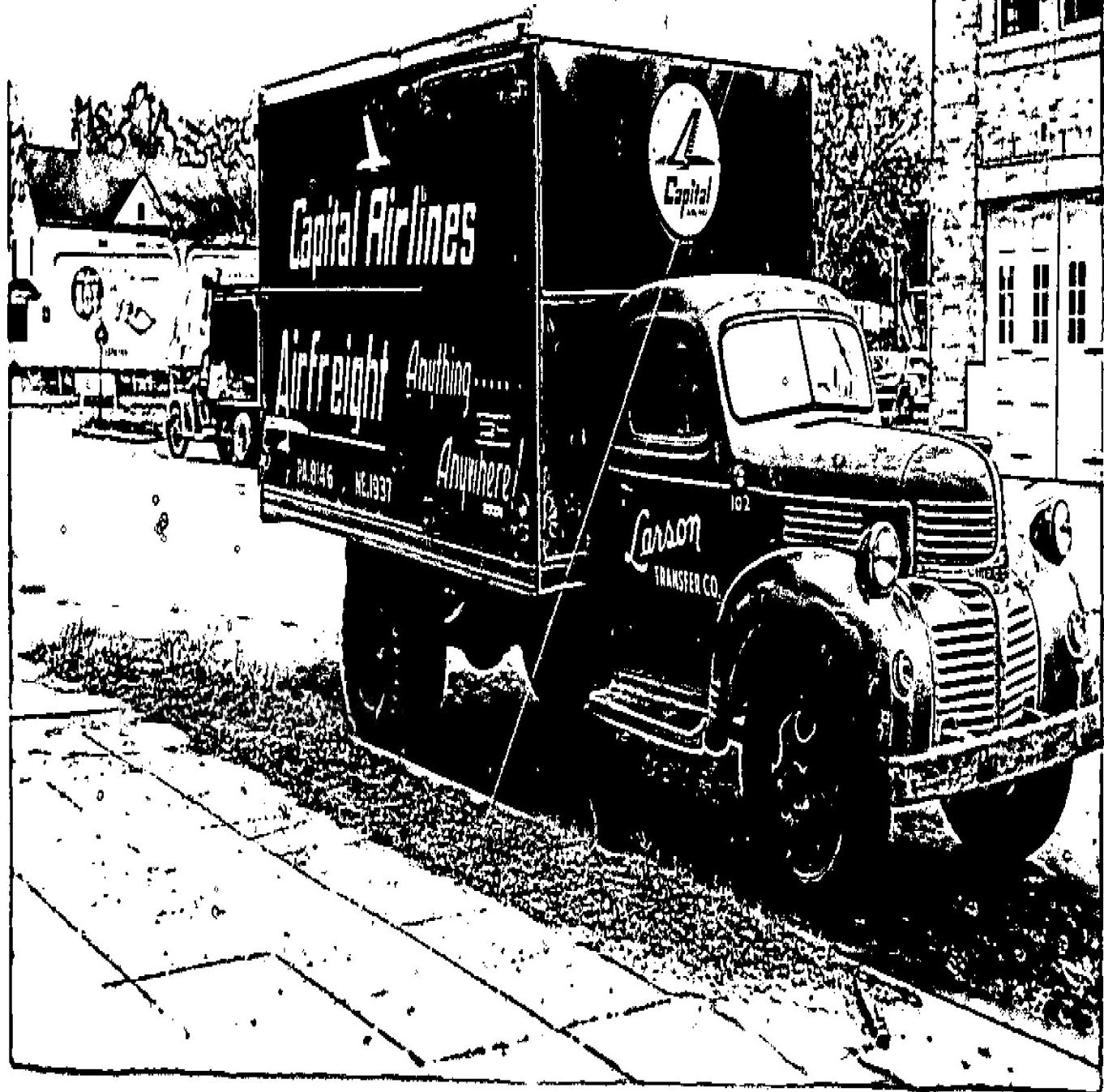




71-3129-61



71-3184-6



Yard Service



7/1 - 3/12 66/

Capital

AirFreight



21 - 03 / 29 - 61



71-3126-61

Capital Airlines

Airfreight *Anything... Anywhere*

PA.8146 NE.1937

11-3129-61



TREASURY DEPARTMENT
WASHINGTON 25

OFFICE OF
COMMISSIONER OF INTERNAL REVENUE

ADDRESS REPLY TO
COMMISSIONER OF INTERNAL REVENUE
AND REFER TO

SEP 10 1951

The Honorable

The Attorney General

Mayflower Distributing Company, et al.

My dear Mr. Attorney General:

Reference is made to your letter dated August 25, 1951, addressed to the Secretary of the Treasury, which has been referred to this office for reply. You request, in connection with an official investigation being conducted by the Federal Bureau of Investigation, uncertified copies of the income tax returns of Mayflower Distributing Company, 2218 University Avenue, St. Paul, Minnesota, and of certain other persons for the years 1949 and 1950.

Your request will receive prompt attention.

If further correspondence relative to this matter is necessary, please refer to IT:Rec:IW:P-KO.

Very truly yours,

John B. Dunlap
Commissioner

KEEP IN F. B. I. FILES

10/15/51 678

EX-6

RECORDED

RECORDED 35

71-3129-62
OCT 15 1951

FED. BU. OF INV.
DEPARTMENT OF JUSTICE
SEP 11 1951
DIVISION OF RECORDS

FED. BU. OF INV.
FED. BU. OF INV.

REC'D

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT OMAHA

FILE No.

REPORT MADE AT MINNEAPOLIS	DATE WHEN MADE 10/18/51	PERIOD FOR WHICH MADE 10/2,3,4,8/51	REPORT MADE BY [REDACTED] SS
TITLE [REDACTED]	CHARACTER OF CASE INTERSTATE TRANSPORTATION OF GAMBLING DEVICES		

SYNOPSIS OF FACTS:

Records at Larson Transfer Company, Minneapolis, Minnesota, reflect Mayflower Distributing Company, rented a ~~Camelot~~ Truck on 1/10/51 and on another date in January prior to 1/29/51. Also that a larger truck was rented 3/26/51, which date possibly may be in error and should be 2/26/51. Photographs of truck taken. Photograph of subject [REDACTED] taken in 1939 obtained.

DETAILS:

At the Capital Airlines Air Freight Service, Minneapolis-St. Paul International Airport, Minneapolis, Minnesota, telephone PArker 8146, the writer and SA [REDACTED] interviewed [REDACTED], Air Freight Agent, who advised that they have two service trucks at the airport, one being an International, and the other a Dodge, but that these trucks never leave the airport premises as they are filled with equipment to service airplanes. However, he advised that the Larson Transfer Company, 2010 21st Avenue South, Minneapolis, Minnesota, telephone Atlantic 2523, are contract carriers and that they pick up their air express shipments at the airport and deliver them to the consignees in the Twin Cities; that the Larson Transfer Company, which is owned by [REDACTED], has 2 or 3 trucks which they own, but on the side of the trucks is printed the name "Capital Airlines" and other wording, and likewise there is a picture of an airplane and/or bird. He stated that he believed one of these trucks was a Dodge and the other a Chevrolet and he stated that he believed that they likewise rented trucks out to the subject.

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As agents arrived at the Larson Transfer Company, 2010 21st Avenue South, Minneapolis, Minnesota on October 3, 1951, they observed that there was parked almost in front of this place, a Dodge red colored truck which bore 1951 Minnesota license Y-109-696 in the front and a similar license was on the rear.

APPROVED AND FORWARDED: <i>J.W. Banister</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
COPY IN FILE		71-3129-63	RECORDED - 13
COPIES OF THIS REPORT		RECORDED - 13	
COPIES DESTROYED		OCT 22 1951	INDEX - 13
3 - Bureau (71-3129) 1 - USA, St. Paul 3 - Omaha (71-206)(Enc.)(1-USA) 3 - Chicago (71-514) 3 - Springfield (71-100)		1966 18	SE 25
4 - Minneapolis (71-161)			

53 NOV 5 1951

Mpls. File No. 71-161

left side. Agents noted that there was a mirror on the driver's side; that there were 2 small parking lights under the windshield on each side; that on top of the cab in front is a round white plate with a picture of a red airplane and/or bird, as well as the words "Capital Airlines". The roof is of medium gray color while the truck in general is of reddish or maroon color.

On both sides of the truck there appears the following:

Capital Airlines	
Air Freight	Anything
PA 8146	Anywhere
	NE 1937

On both sides of the cab on this truck on the door appears the words "Larson Transfer Co" and under the parking light is "102".

This truck contained a square paneled box and a cab and it was noted it had duo tires in the rear. All of the lettering of the above words is in yellow. On the back of the truck there are two rear doors which open outwardly and there is also printed "Capital Air Freight".

The writer's notes regarding the description of this truck which are initialed by SA [redacted] are on file in instant case.

[redacted], when interviewed, advised that during the first part of 1951 they rented out their trucks only on a couple of occasions and he stated that their records are in very bad shape but that he would endeavor to find what records are available, and would notify agents on the morning of October 4, 1951. At this time the name of the Mayflower Distributing Company and names of other individuals were not mentioned to [redacted].

On the morning of October 4, 1951, [redacted] telephonically advised that he had located a couple of records reflecting that the Mayflower Distributing Company of St. Paul, Minnesota had rented their trucks and he advised that agents should see [redacted], who handled the transactions.

On this date agents interviewed [redacted] and stenographic notes were taken by the writer and they are being retained in instant file. From the stenographic notes, a typewritten statement was subsequently prepared and as it will be noted hereinafter, the same was read and signed by [redacted].

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[redacted], who returned in the meantime on October 4, 1951, advised that the above transactions were all handled by [redacted], and that he did believe he saw one of the men around their garage at the time they rented the truck, but could not recall who it was, nor give any description.

On October 4, 1951, agents also borrowed from [redacted] Check No. 9636; the deposit receipts; the Auto Finance Book and the ledger sheet entitled "M", all of which are referred to in [redacted] signed statement. A receipt was given

and agent [redacted] had these items photostated, in his presence, by Miss [redacted] of the North American Life & Casualty Company, 1750 Hennepin Avenue, Minneapolis, Minnesota. After these copies were photostated, the originals were returned on the same afternoon by agents to [redacted] and the receipt given and returned is being retained in instant file.

The interview with [redacted], which took place on October 4, 1951, was incorporated into a seven page typewritten statement and on October 8, 1951 [redacted] read this statement, made two corrections, and he signed the same and initialed each page. This original statement is being retained in instant file and copies of the same were forwarded to the Bureau, Chicago, Omaha and Springfield by separate mail.

This original statement is as follows:

"Minneapolis, Minnesota
October 8, 1951

"I, [redacted], give this free and voluntary statement to [redacted] and [redacted], who have identified themselves to me as being Special Agents of the FBI. No promises or threats have been made to me in the giving of this statement, and it is true and correct to the best of my recollection.

[redacted]
[redacted] the Larson Transfer Company, 2010 21st Avenue South, Minneapolis, Minnesota, AT. 2523.

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"Our ledger books under the letter "M" contains the following three transactions:

Date	Items	Debits	Credits	Date
1951 1/10	Mayflower Dist. Co., 2218 Univ. Ave., St. Paul Vanette rental 1½ Days	12.00	---	---
	11712) 385 mi. @ 8¢ 30.80 11337) -8.91 Less gas	21.89	33.89	1/29
3/26	Mayflower Dist. Co., 2218 Univ., St. Paul, Truck rental 3 days 870 mi. @ 10¢ Less Expenses	30.00 87.00 42.95 <u>75.05</u>	75.05	4/12

"In regard to the above three transactions, they were made by our book-keeper, [redacted], who left our employment about a month ago, but

who lives at [redacted]

Minneapolis, Minnesota, [redacted]

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In regard to the January 10, 1951 transaction, that means the Mayflower Distributing Company of St. Paul, Minnesota rented out 1948 Ford Vanette truck which is three quarter ton and is maroon in color. This truck was rented for 1½ days and they paid \$12.00.

"Regarding the next transaction that is undated, but inasmuch as the record reflects that \$33.39 was paid on January 29, 1951, that means the Mayflower Distributing Company would have had to rent the second truck sometime in January 1951 and before January 29, 1951. I am positive that the same Ford Vanette, which has glass windows in the rear doors, was rented on this second occasion, and as noted above, the Mayflower Distributing Company paid \$8.91 for gas, for which they were given credit, and they thereby owed our firm \$21.89.

"In regard to the March 26th transaction, I recall distinctly that the Mayflower Distributing Company rented our 1947 Dodge truck van, two ton, with an enclosed body and which has a 14 foot box. According to that record, they rented this particular truck for 3 days. The \$30.00 item is the charge at the rate of \$10.00 per day for the truck, making a total of \$30.00; the \$87.00 is for their using the truck 870 miles at 10¢ a mile; the \$42.95 written in red pencil reflects that they were given credit at that time and to my recollection when the truck was brought back, they complained about it and stated that they had a flat tire, and giving them credit for the gasoline they purchased, we charged them \$75.05 for using that truck for the 3 days. The above record reflects that that amount was paid by the Mayflower Distributing Company on April 12, 1951, and to my recollection, both of the above amounts were paid by check which we received possibly through the mail.

"As long as our records show that on January 10, 1951 they first rented a truck, it is my recollection that either on that day or the day before, January 9, 1951, I received a telephone call from some man who stated he was with the Mayflower Distributing Company in St. Paul; I do not recall his name, and he asked if we rented trucks, and he talked about wanting to rent a small enclosed truck, and he stated they were going to use it in town. He also asked about the price and I gave him a flat rate for 1½ days and that we would also furnish the gasoline. Shortly afterwards or the next day, two men came to our office whom I had never seen before and as I recall it, I believe that one of them stated he was a driver for the Mayflower Distributing Company. I do not remember their names at all, but one of the men appeared to be of Jewish extraction, was about 33 years of age, was about 5'9" or 5'10" tall, weighed about 180 pounds, and had black hair which may have been curly but I am not sure. To the best of my recollection I assumed that he was probably the man who had called me on the telephone as he was well dressed. The other man, who stated he was a driver, was an older looking man who was in his 40s; was a short individual, and was of light build. This man did not

do much talking at all, and he was dressed in working clothes. These men rented the truck, and I may have made some record at that time to show the name of the person renting the truck, but if I did make such a record I do not know where the same is now. We rent out very few trucks and I do not use a regular rental form.

"In regard to the rental of the truck on the other day in January, 1951, subsequent to January 10 and before January 29, 1951, it is my recollection that the same two men came over and got the same 1948 Ford Vanette truck and at that time he may have also made some record as to the mileage that was on the truck when they took it, but I do not know where such record is if one was made. In regard to this rental, I do recall that when these 2 men brought this truck back they mentioned to me that the exhaust pipe had been shooting sparks up under the floor board and that it caused a small fire and as the result a small hole was burned in the floor board of this truck. These individuals did not tell me where they were going with this truck, nor for what purpose they wanted it.

In regard to the third rental, which our records show was on March 26, 1951, my recollection is that a day or two before that date some man from Mayflower Distributing Company in St. Paul, Minnesota, again phoned me. I do not know if it was the same man who had phoned before or whether it was the same well-dressed man who had come to our place on the two previous occasions but I somewhat assumed that it was the same individual. To my recollection no name was mentioned by him over the telephone. At this time he stated he was interested in renting a semi-trailer to take into the state of Illinois, and he mentioned they were closing out some office down there and were going to haul their stuff to St. Paul, Minnesota. At this time this man also remarked that they would be making quite a few trips, and I assumed from this conversation that they would be interested in continuing to rent a large truck or semi-trailer for further hauling. I told this man over the phone that we did not own a semi-trailer for rental purposes, but that we did have a large Dodge two ton van. As far as I recall, the same 2 men came over and they rented our Dodge two ton truck, which is all maroon colored with a gray top and which has wording on it. We also own a Chevrolet truck which has the identical van on it but the cab of the Chevrolet truck is green, whereas the one these two men rented was all maroon. To the best of my recollection, I do not believe that I even made any record or notation of this third rental because of the fact that they appeared to be regular customers. However, some notation must have been made by me as to the mileage of this truck when it was rented and returned, otherwise I could not have determined that they drove the truck 870 miles as is mentioned on the above ledger. If I did make a notation, the paper was probably thrown away after the above entry was made by the book-keeper.

"To the best of my recollection, a couple of days later, after the Dodge was returned by these two men, I received another phone call from a man at the Mayflower Distributing Company, whom I assumed was the same man I had previously talked to. At this time he stated that they wanted to rent

a better truck and a bigger one as they apparently were not satisfied with the Dodge truck that they had previously rented. At this time I told them that we did not have any large or better ones, but to my recollection a day or two later a driver for the Mayflower Distributing Company came over to our place. However, I do not recall definitely whether he was the same man who had been there previously or whether he was a new man. I recall that I and my dad started to show him another truck which we had and which we promised to put in condition, and at about this time this driver received a phone call, apparently from the Mayflower Distributing Company in St. Paul, and he left our place and I have never seen him or heard from anyone at the Mayflower Company since.

"I have no information as to whether they may have rented trucks from any other rental agency and no one has contacted me regarding further rentals for the ~~Mayflower~~ Distributing Company. I am not sure, but I possibly may be able to identify these men whom I have referred to if I see them again in person or if I see their photographs. At no time was I told for what purpose they were renting these trucks. I do know that this company handles pinball machines, and, I believe, juke boxes. Other than that I knew nothing about their operation and we have never heard from them or had business with them before or since, outside of the three rentals referred to above.

"I have in my possession our March 1951 trial balance sheet which shows under the word "Credit" the words "Income Rental" and after that there appears the amount of \$108.94 which would be \$33.89 plus \$75.05, which makes that total. Our April, 1951 trial balance sheet under the name "Credit" contains the words, "Income Rental" and also shows the same amount of \$108.94.

"In regard to our receiving the \$33.89 on January 29, 1951 for the two rentals in January, 1951, we have in our possession a carbon copy of a bank deposit slip which is dated January 29, 1951 and which contains a list of the names and amounts of checks which we deposited on that date with the 4th Northwestern National Bank, Minneapolis, Minnesota. Page 2 of that deposit slip contains the name "Mayflower Dist." and after that name is the amount of \$33.89.

"We also have in our possession a carbon copy of another deposit slip dated April 12, 1951, with the same bank, which contains the name "Mayflower" and after that name is the amount of \$75.05. From these deposit slips I am quite sure we received two separate checks from the Mayflower Distributing Company for the rental of these 3 trucks, and we deposited those checks to our account.

"After the above man returned the Dodge truck, I talked the matter over with my dad about buying or getting a larger truck because it appeared that we were going to have steady business from this firm, and because they indicated that they desired a larger and better truck. A man named [redacted] who at that time had a [redacted], Minneapolis, Minnesota, was having trouble in making payments on a 1950 Ford van two ton

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truck with a 12 foot body box. We figured if we could get this truck that we would rent this to the Mayflower Distributing Company, and at that time [redacted] was making his payments to the Northeast Finance Company, 1712 Central Avenue, Minneapolis, Minnesota. I have in my possession a finance book reflecting that payment number 4 was made on January 20, 1951 in the amount of \$102.16 and payment number 5 was made March 5, 1951 in the same amount. My recollection is that [redacted] was unable to make his February payment and that [redacted], sometime in the early part of March, gave [redacted] a \$500 check which must have been on [redacted] personal account as I do not seem to find that check among our business checks; that [redacted] then made payment number 5 on March 5, 1951. The booklet reflects that payment 6 was made on March 19, 1951 for \$102.16 and I recall that we made that payment, and I have in my possession our check No. 9636 dated March 19, 1941, payable to Northeast Finance Company in the amount of \$102.16, and it is signed by me and it is endorsed by the Northeast Finance Company. I recall distinctly that at the time we issued this check on March 19, 1951, that we had in our possession the 1950 Ford truck which we obtained from [redacted]. In view of this, it is my recollection that the above mentioned date of March 26, 1951 appearing on the ledger is wrong, and that it should have been February 26, 1951. The reason for this is if we would have had [redacted] 1950 Ford truck in March 1951 we would have rented that truck to the Mayflower Distributing Company on March 26, 1951 and not our Dodge. As a result of the above it appears that on February 26, 1951 we did not have [redacted] truck in our possession.

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"To the best of my recollection, this man from Mayflower Distributing Company had some small dispute with us over the amount to be paid and if I recall it, he stated that they had blown out a tire in connection with the trip they had taken with the Dodge truck, and as a result of that there was a dispute as to the amount to be paid. As long as the ledger sheet reflects that the Mayflower Distributing Company paid \$75.05 on or about April 12, 1951, I feel certain that we did not bill them for the rental of this truck until April 1, 1951. If they had been billed on March 1, 1951, there is the possibility that they may have paid the \$75.05 in March. Furthermore, if the correct date is February 26, 1951 that means they would have returned the truck to us on March 1, 1951, as they had it for three days, and if that happened we would not have billed them on March 1, 1951, and would have waited until April 1, 1951, which indicates to me that this truck was rented by the Mayflower Distributing Company from us on February 26th instead as is shown in our ledger sheet as March 26, 1951. As I stated before, the handwriting and figures appearing on the ledger sheet were made by our bookkeeper, [redacted]. The numbers "3" and "26" which refer to 3/26 were not put there by me and I am not sure they were put there by [redacted], our bookkeeper at that time. There is a possibility that due to the dispute with them relative to the rental that this date of 3/26 may have been placed in there sometime later. I also wish to state that no one advised me to enter this in our ledger as 3/26.

"The Vanette Ford truck which was rented twice in January, 1951 bears 1951 Minnesota License Y 109-694 and the Dodge truck, which was rented on the third occasion, bears 1951 license Y 109-696.

"I wish to state at this time that the description of these trucks, mentioned above, as to license, make and color is the same now as it was on January 1, 1951. The Dodge truck, which the Mayflower Distributing Company rented has painted on in large letters on both sides of the van the words "Capital Airlines" and "Air Freight". There also is a picture of an airplane and/or bird. On the front of the van is also a round white emblem on which appears a picture of an airplane and/or bird, together with the words "Capital Airlines". Also on the rear of the truck, where the two large doors are, there are the words "Capital Air Freight".

"I have loaned the ledger sheet, the Northeast Finance Company book, the check No. 9636 and the two duplicate bank deposit slips to Agents [redacted] and [redacted] and they have been returned to me in the same condition they were loaned.

"I have read this and the other six pages and to the best of my knowledge and recollection I find it to be true and correct and I have signed the same of my own free will.

/s/ [redacted]

Witnessed:

/s/ [redacted]

Special Agent,
F.B.I. Minneapolis
Oct. 8, 1951

/s/ [redacted]

Special Agent
F.B.I. Minneapolis
Oct. 8, 1951

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On October 8, 1951, the writer and SA [redacted] took 12 photographs of the above described Dodge truck, which agents previously examined on October 4, 1951. Agent [redacted] took the photographs and the writer maintained notes which are being retained in instant file. This film pack was forwarded to the Chicago office by registered mail with the request that copies of the photographs be furnished offices who are receiving copies of this report.

[redacted] Minneapolis, Minnesota, telephone [redacted] advised that he formerly did do bookkeeping and accounting work for the Larson Transfer Company up until several months ago when he left. He was shown a photostatic copy of the ledger sheet entitled "M" and he advised that all of the writing appearing thereon including the numbers "3 26" were written by him. He advised that the [redacted] have no conception at all as to how records are to be kept and that he had much difficulty with them in trying to keep the records and books accurate. He advised it was nothing unusual for him not to be told about a transaction until a couple of weeks after it happened and he stated that if a truck was rented, they had no regular form which was filled out or signed; that as a rule one of the [redacted] would orally tell him to charge a certain

firm so much for the rental of a truck, and he stated that he would probably then bill them and make some notation in his book.

In regard to the above three rentals by the Mayflower Distributing Company, he advised he had no personal recollection of them at all and he does not recall ever seeing or talking with anyone from that firm. In regard to the date of March 26, 1951, he advised that it is possible that the truck could have been rented out earlier than that date and that might have been the date that one of the [redacted] told him about the rental, and he stated if that were so, he might have made that entry on March 26, 1951 and on that same date sent a bill to the Mayflower Distributing Company. He stated he keeps no copies of their bills or invoices and that the regular customers are billed at the first of the month but that individual such as the Mayflower Company, who would rent a truck now and then, would be billed as soon as the transaction was recorded. He advised that he would have made no journal entry and that probably what happened was that one of the [redacted] told him about the rental and that from their conversation he might have made a note or two on a piece of scratch paper which he might have destroyed after recording the transaction on the above ledger sheet. He stated he does not know anyone at the Mayflower Company and could furnish no additional information.

[redacted] had, in his box at his home, a copy of the trial balance for January 31, 1951 which showed that for January, \$33.89 was earned as income from rentals. According to the February, 1951 trial balance, he stated no additional truck rental income was recorded as the same entry of \$33.89 appears relative to rentals without driver. According to his copy of the March, 1951 trial balance, he stated it shows an increase of \$75.05 from February 1951 as the total income from rentals is recorded as \$108.94. He stated that the April, 1951 trial balance is the same as the March, 1951 balance. [redacted] stated that from these copies of the trial balances he could not say what date the third truck was rented. However, he stated that at the Larson Transfer Company there should be on file another record on which he might have made a notation as to the date he was told about the third incident, and he stated that record would be located in the top drawer of the wooden filing cabinet. He stated possibly there might be a record in the daily appointment book. Those books were previously checked for the pertinent dates with negative results.

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[redacted] further advised that he did not deposit checks on the same day he received them from the customers and that they might have laid around the office for a week or two before he made a deposit.

[redacted] upon re-interview on October 11, 1951, located their income record sheet for February, 1951 referred to by [redacted] and it was noted that no reference was made to the Mayflower Distributing Company. However, the Accounts Receivable sheet for March 1951 merely showed the name "Mayflower" and the amount of \$75.05 but no date appeared on this record. [redacted] also re-checked the daily appointment book for the dates around January 10, February 26 and March 26, but he stated that no notation could be found relative to the Mayflower Company, and he stated that probably when they phoned, no record or

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notation was made in this book. He further stated that he recalled that the reason for the delay in billing the Mayflower Distributing Company for the rental of the third truck was not because of the flat tire incident but because at about that same time they changed their rates from \$8.00 a day to \$10.00 a day rental, and from \$.08 per mile to \$.10 per mile. He stated he did not know just exactly when they put this change into effect but that it was around that time and that he did not recall exactly whether he told the Mayflower Company it would be \$.10 or \$.08 and he stated he believed that was one of the reasons for the delay in billing them.

[redacted] also was shown several photographs, including the photograph of [redacted] taken in 1939 and the one of ALBERT GARDNER taken in 1936. He advised that he could not identify these individuals but remarked that the photograph of [redacted] did look a little familiar to him, but he could not say positively or even say that [redacted] is one of the two men who contacted him regarding the rentals.

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[redacted] was also advised that in the event he received any communications or telephone inquiries from the Mayflower Distributing Company regarding the above rentals, that he should immediately communicate with the writer.

ALBERT GARDNER

The following is the complete identification record as of October 3, 1951 for ALBERT GARDNER, FBI No. 283270.

<u>CONTRIBUTOR OF FINGERPRINTS</u>	<u>NAME AND NUMBER</u>	<u>ARR. OR REC'D.</u>	<u>CHARGE</u>	<u>DISPOSITION</u>
USM, St. Paul, Minn.	Albert Gardner #--	11/3/29	vio. N.P. Act	1 yr. 1 day
USP, Leavenworth Kans.	Albert Gardner #36079	4/13/30	Prob. Act (Consp)	1 yr. 1 day
PD, St. Paul, Minn.	Albert Gardner #F-178	3/7/36	felony reg.	
Military Intel- lIGENCE, Wash. D.C.	Albert Gardner	appl. for laborer - bldg. Foley Bros. Inc. Twin Cities Ord. Plant New Brighton Minn.	11/6/41	
PD, Wilmington, Del.	Albert Gardner #DU-326200	5/18/42	applicant for laborer	

<u>CONTRIBUTOR OF FINGERPRINTS</u>	<u>NAME AND NUMBER</u>	<u>ARR. OR REC'D.</u>	<u>CHARGE</u>	<u>DISPOSITION</u>
--	----------------------------	---------------------------	---------------	--------------------

Commanding Gen. Albert Gardner applicant for
 Services of #88-ARS-131 laborer
 Supply, U.S.
 Army, Wash. D.C. 9/19/42

SOS, War Dept. Albert Gardner truck
 #88-MHK-25 driver
 8/18/43

Description:	
Color:	White
Sex:	Male
Height:	5'2"
Weight:	152 lb.
Hair:	Grey
Eyes:	Brown
Complexion:	Ruddy
Build:	Stocky
Scars & Marks:	Oval scar center of chest
Birthdate:	July 29, 1902 in Russia
Citizenship:	U.S.A. (naturalized)
Company:	In 1943 - Metcalfe Hamilton Kansas City Bridge, City and state not given (as on prt #88-MHK-25)
Occupation:	In 1930 - merchant
Residences:	In 1943 - Edmonton, Alberta, Canada In 1943 - Pine Grove Cottage, Wisconsin Dells, Wisconsin In 1942 and 1941 - 208 East 13th Street, St. Paul, Minnesota In 1936 - 200 E. Indiana, city and state not given (as on prt #F-178) In 1929 - 815 Marshall Avenue, St. Paul, Minnesota
Alias:	ABRAHAM GARDNER

The fingerprint file of this individual fails to disclose
 the names of any associates. PS

FPC: 9 S 17 W OII 16
 S 1 U III

The Chicago, Omaha, Springfield and Minneapolis offices have copies of the
 above record including 10 photographs of GARDNER.

[redacted] Secretary to the Dean of Admissions and Records, University of Minnesota, Minneapolis, Minnesota, advised Special Agent [redacted] [redacted] that [redacted] St. Paul, Minnesota, whose father was [redacted] entered the school of Science, Literature and Arts on September 27, 1937 and transferred to their Law School in the fall of 1939 and then returned to the School of Science, Literature and Arts in 1940, and that he left in 1940 to enter the military services. The records reflect that he was born [redacted].

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At the office of the Dean of the Law School, University of Minnesota, Minneapolis, Minnesota, there was borrowed a small photograph of [redacted] which was taken in 1939 while he was a student at the Law School. This small photograph was enlarged and copies were made, which have been furnished to offices receiving copies of this communication, and the original has been returned to the above office.

ENCLOSURES TO OMAHA: 2 photostatic copies of a ledger sheet entitled "M" wherein reference is made to the Mayflower Distributing Company.

2 photostatic copies of Larson Transfer Company Check No. 9636 dated March 19, 1951.

2 photostatic copies of 4th Northwestern National Bank deposit slips dated January 29, 1951 and April 12, 1951.

2 photostatic sets of five papers each relating to the Northeast Finance Company of Minneapolis, Minnesota.

- P E N D I N G -

Mpls. File No. 71-161

L E A D S:

CHICAGO OFFICE

At Chicago, Illinois:

Will develop the film pack in accordance with instructions appearing in Minneapolis memo dated October 8, 1951, and full name of employee who developed and printed same.

SPRINGFIELD OFFICE

At Springfield, Illinois:

Will conduct investigation as a result of information appearing herein in accordance with instructions appearing in Omaha memo dated September 29, 1951.

OMAHA OFFICE

At Omaha, Nebraska:

Will review the information appearing in this report to determine what further investigation, if any, need be conducted.

Upon receipt from the Washington Field office of the list of coin operated devices submitted by the Mayflower Distributing Company, will compare such numbers with the numbers of machines presently under investigation in this case. See Minneapolis teletype to Washington Field dated October 3, 1951.

MINNEAPOLIS OFFICE

At Minneapolis, Minnesota:

At the 4th Northwestern National Bank will ascertain whether they have photographs of the deposit slips for January 29, 1951 and April 12, 1951 and if so, endeavor to obtain photographs of the two Mayflower Distributing Company checks.

REFERENCE: Report of SA [redacted] dated October 6, 1951 at
Minneapolis.

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FEDERAL BUREAU OF INVESTIGATION

FORM NO. 1
THIS CASE ORIGINATED AT

OMAHA

FILE NO.

REPORT MADE AT KANSAS CITY, MO.	DATE WHEN MADE 0/18/51	PERIOD FOR WHICH MADE 10/11/51	REPORT MADE BY cid
TITLE [redacted], was, et al	CHARACTER OF CASE INTERSTATE TRANSPORTATION OF GAMBLING DEVICES		

SYNOPSIS OF FACTS:

*Rec'd
McDermott
10-31-51
AMZ*

ALBERT GARDNER's file at the USP-L shows he was incarcerated there from 4/7/30 to 1/25/31 for the violation of the National Prohibition Act.

- RUC -

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b7CDETAILS: AT LEAVENWORTH, KANSAS:

[redacted], record clerk, USP - Leavenworth, advised that ALBERT GARDNER, USP-L #36079, was sentenced on 4/7/30 in United States District Court, St. Paul, Minnesota to one year and one day for violation of the National Prohibition Act and began serving his sentence on 4/7/30. He was discharged from the USP-L on 1/25/31 at the end of his sentence. The Penitentiary file shows that GARDNER was born in Russia, entered the United States in 1912 and received his final naturalization papers in St. Paul, Minnesota in about 1906, through his parents. The file shows his parents were ISADORE and BECKY GARDNER, E 9th Valley Street, St. Paul. His wife was GOLDY GARDNER, 814 Marshall Ave., St. Paul. His sister was [redacted] St. Joseph, Missouri.

The following description of ALBERT GARDNER was obtained from the USP-L files:

COPIES DESTROYED Age: 28, in 1930
85 AUG 17 1966 Height: 5' 2 $\frac{1}{2}$ "
Born: Russia
Weight: 146

MH

APPROVED AND FORWARDED: <i>J. J. Boardman</i>	SPECIAL AGENT IN CHARGE COPIES OF THIS REPORT	DO NOT WRITE IN THESE SPACES	
COPY IN FILE		71- 3129-164	RECORDED-43
		OCT 23 1951	INDEXED - 43
(3) - BUREAU (71-3129) 3 - OMAHA (71-206) 3 - MINNEAPOLIS (71-161) (Info) (1) 1 - CHICAGO (71-514) (Info) 1 - SPRINGFIELD (71-100) (Info)		USA 10	EX - 151

PROPERTY OF FBI - This confidential report and its contents are loaned to you by the FBI and are not to be distributed outside of agency to which loaned.

57 NOV 2 1951
2191

KC 71-340.

Build: Stocky
Eyes: Brown
Hair: Black - balding.
Complexion: Medium
Race: White
FBI #: 283270

REFERRED UPON COMPLETION TO THE OFFICE OF ORIGIN

KC 71-340

ADMINISTRATIVE PAGE:

Copies of this report are being sent to the Chicago, Minneapolis, and Springfield Offices at the request of the Minneapolis Office.

REFERENCE:

Report of SA [redacted] dated 10/6/51, at Minneapolis.

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FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

To: COMMUNICATIONS SECTION.

OCTOBER 23, 1951

Best Available Copy

Transmit the following message to: SAC

OMAHA

G.I.R.-5

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RECORDED [REDACTED] 18 ETAL, ITCD. REURTEL OCTOBER TWENTYTHIRD INSTANT.

ALBERT GARDNER, FBI NO. TWO EIGHT THREE TWO SEVENTY, NOTE DISCREPANCY

FBI NO. URTEL. IDENT. DIV. FILES REFLECT FOLLOWING APPLICANT PRINTS

ON ALBERT GARDNER, FBI NO. TWO EIGHT THREE TWO SEVENTY COLON

NOVEMBER SIXTH FORTYONE FINGERPRINTED FOR THE TWIN CITIES ORDNANCE

PLANT NEW BRIGHTON MINNESOTA, APPLICANT FOR LABORER DASH BUILDING.

MAY EIGHTEENTH FORTYTWO FINGERPRINTED BY PD, WILMINGTON DELAWARE

FOR E. I. DU PONT DE NEMOURS AND COMPANY INCORPORATED WILMINGTON

DELAWARE, AT THE GOPHER ORDNANCE WORKS, SAINT PAUL MINNESOTA.

SEPTEMBER NINETEENTH FORTYTWO FINGERPRINTED BY COMMANDING GENERAL

S.O.S., U.S. ARMY WASHINGTON D.C., FOR THE ARMCO R.R. SALES, CITY

AND STATE NOT GIVEN. SUBJECT GAVE ADDRESS THEN AS PINE GROVE

COTTAGE, WISCONSIN Dells, WISCONSIN. AUGUST EIGHTEENTH FORTYTHREE

FINGERPRINTED BY COMMANDING GENERAL A.S.F., U.S. ARMY WASHINGTON

D.C., FOR METCALFE, HAMILTON, KANSAS CITY BRIDGE, CITY AND STATE

NOT GIVEN. APPLICANT FOR TRUCK DRIVER. SUBJECT GAVE ADDRESS THEN

AS EDMONTON ALBERTA. LAST PHOTO AVAILABLE IDENT. DIV. FILES

COMMUNICATIONS SECTION

COPIES DESTROYED OCT 24 1951

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TELETYPE

HOOVER M. Per

53 NOV 1951 SENT VIA AIR MAIL

DEFERRED

109A

FBI,

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 23 1951

TELETYPE

Mr. Tolson
Mr. Ladd
Mr. Nichols
Mr. Belmont
Mr. Clegg
Mr. Glavin
Mr. Heacock
Mr. Rosen
Mr. Tracy
Mr. Laughlin
Mr. Mohr
Tele. Room
Mr. Nease
Miss Gandy
Rosen ON

FBI,

FBI, OMAHA

10-23-51

4:06 PM CST

DIRECTOR, FBI

ATTN: IDENT DIVISION

URGENT

[REDACTED] WAS. FEDAL, ITGD. IDENT RECORD OF ALBERT GARDNER,
283273
FBI NO. TWO EIGHT THREE TWO SEVEN THREE, REFLECTS APPLICANT ITEMS
ON NOV. SIX, FORTY ONE, DEC. NINETEEN, FORTY TWO, AND AUG. EIGHTEEN,
FORTY THREE. ADVISE NAME AND ADDRESS OF CONTRIBUTOR FOR EACH OF SAID
ITEMS WITH VIEW OF OBTAINING GARDNER'S PHOTO FROM THOSE SOURCES. IF
PHOTO FROM ANY OF THESE THREE ITEMS IS AVAILABLE TO IDENT DIVISION,
EXPEDITE COPIES TO MINNEAPOLIS, SPRINGFIELD AND OMAHA.

DALTON

EDN ACK PLS

5-12 PM OK FBI WA GJH

RECORDED - 18

71-3129-
OCT 25 1951

EX - 69

cc: Mr. Rosen

RECORDED 13

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Available
Copy

SAC, Minneapolis
71-3127-66
Director, FBI

October 23, 1951

[redacted] was., et al

ITOGD

Reurlet 8/7 last.

In accordance with your request, there are enclosed the income tax returns for the following individuals and companies:

Mayflower Distributing Company Fiscal year ending
2218 University Avenue January 31, 1949
St. Paul, Minnesota

Paster Distributing Company Fiscal year ending
2218 University Avenue January 31, 1949
St. Paul, Minnesota

Progress Finance Company Fiscal year ending
2218 University Avenue June 30, 1949
St. Paul, Minnesota

Holly Sales Company Fiscal year ending
2218 University Avenue January 31, 1949
St. Paul, Minnesota

Herman Paster and [redacted] 1949 and 1950
(joint)
1752 Pinehurst Avenue
St. Paul, Minnesota

Allen I. Nilva 1949 and 1950
1830 Hillcrest Avenue
St. Paul, Minnesota

[redacted] 1949 and 1950

Minneapolis,

The records of the Bureau of Internal Revenue do not disclose income tax returns for the Ajax Refrigeration Company, 2218 University Avenue, St. Paul, Minnesota, for the year 1949.

The request for copies of the other returns set out in relet will be furnished upon their receipt from the Bureau of Internal Revenue.

Enclosures

COMM-FBI

OCT 23 1951

MAILED 20

7700
AB

Tolson
Ladd
Clegg
Olavin
Nichols
Tracy
Harbo
Hart
Bolmont
Laughlin
Muller
Tele. Room
Nease
Gandy



U. S. TREASURY DEPARTMENT
WASHINGTON 25

OFFICE OF
COMMISSIONER OF INTERNAL REVENUE

ADDRESS REPLY TO
COMMISSIONER OF INTERNAL REVENUE
AND REFER TO

IT:Rec:IW:P

KO

OCT 12 1951

The Honorable

The Attorney General

① Mayflower Distributing Company, et al.

My dear Mr. Attorney General:

Further reference is made to your letter dated August 25, 1951, addressed to the Secretary of the Treasury, requesting, in connection with an official investigation being conducted by the Federal Bureau of Investigation, uncertified copies of the income tax returns of Mayflower Distributing Company, 2218 University Avenue, St. Paul, Minnesota, and of certain other persons for the years 1949 and 1950.

There are enclosed photostatic copies of the income tax returns of the following-named persons for the years indicated:

Mayflower Distributing Company
2218 University Avenue
St. Paul, Minnesota

Fiscal year ending
January 31, 1949

Paster Distributing Company
2218 University Avenue
St. Paul, Minnesota

Fiscal year ending
January 31, 1949

Progress Finance Company
2218 University Avenue
St. Paul, Minnesota

Fiscal year ending
June 30, 1949

Holly Sales Company
2218 University Avenue
St. Paul, Minnesota

Fiscal year ending
January 31, 1949

Herman Paster and [redacted] (joint)
1752 Pinehurst Avenue
St. Paul, Minnesota

1949 and 1950

Allen I. Nilva
1830 Hillcrest Avenue
St. Paul, Minnesota

RECORDED - 13 1949 and 1950

KEEP IN F. B. I. FILES

10/25/51 675. J.W. 13

10/25/51 675. J.W. 13

RECORDED - 13 1949 and 1950

10/25/51 675. J.W. 13

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2-The Attorney General-

1949 and 1950

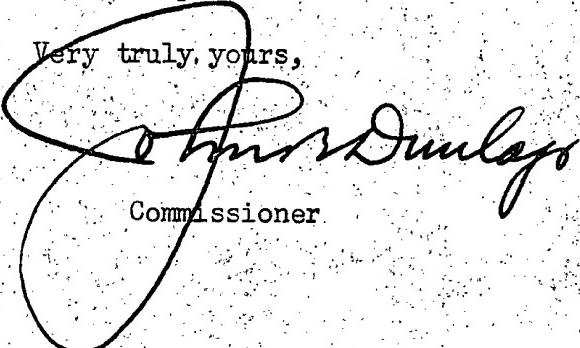
b6
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[Redacted]
Minneapolis, Minnesota

The records of the Bureau for the internal revenue collection district of Minnesota do not disclose income tax returns for Ajax Refrigeration Company, 2218 University Avenue, St. Paul, Minnesota, for the years 1949 and 1950.

The request for copies of the other returns mentioned in the letter will be made the subject of a separate communication.

Very truly yours,


John R. Dunlap
Commissioner

Enclosures

Office Memorandum

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Available
Copy

UNITED STATES GOVERNMENT

TO: Director, FBI (71-3129)

DATE: November 14, 1951

FROM: SAC, Omaha (71-206)

AIR MAIL

SUBJECT: [REDACTED] was, ET AL

INTERSTATE TRANSPORTATION
OF GAMBLING DEVICES

Re report of SA [REDACTED] dated November 5, 1951 at Omaha.

cwl
 On November 2, 1951, during the course of discussion of other cases by SA [REDACTED] with CLOUD I. LEVEL, Assistant U. S. Attorney for the Southern District of Iowa, Des Moines, Iowa, Mr. LEVEL indicated considerable personal interest in instant case and advised that he did not desire to take any hasty prosecutive action which might impair either the investigative activity of the Bureau in connection with the operations of the Paster interests at St. Paul, Minnesota, or elsewhere or which might in any way prejudice any prosecutions of any of the subjects of this case or other persons connected with the Paster interests in other jurisdictions.

Mr. LEVEL stated that the next Grand Jury of the Southern District of Iowa to which this case would ordinarily be presented would not be assembled until during April 1952, but that due to the type of case, the current interest in the matter, and the existent possibility of numerous and flagrant violations upon the part of the various subjects concerned, he would call a special Grand Jury if it should be later deemed propitious at any given time.

Mr. LEVEL indicated also that he believes that the order of prosecution of any cases involving the Paster interests should be decided by the Department of Justice at Washington, D.C. and that prosecutive activities should also be coordinated by the Department.

Mr. LEVEL suggested that the preparation of a prosecutive summary report in instant case be deferred until the entire investigation of instant matter has been completed insofar as the Southern District of Iowa is concerned, and stated that upon the receipt of such report he would communicate with the Department at Washington, D.C. for instructions as to when and how to proceed further.

It is contemplated that all logical investigation concerning the activities of the subjects of this case in the Davenport, Iowa area and within the Southern District of Iowa will be completed within the next thirty days, subject to the arising of new developments or possible additional violations in that jurisdiction upon the part of the subjects herein.

CCM:bk

RECORDED. 5

71-3129-67

cc: Chicago (71-514)

Milwaukee

Minneapolis (71-161)

Springfield (71-100)

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OM 71-206

The Bureau will be kept advised of all pertinent developments in this matter immediately as they occur.

It is suggested that offices receiving copies of this letter and having unfinished investigation in this case afford the same preferred attention with the view to completing this investigation as quickly as possible.

Mpls. 71-161

ADMINISTRATIVE PAGE

The Chicago, Milwaukee and Springfield Offices are being furnished copies of this report for information inasmuch as they are presently conducting investigation in this case.

L E A D

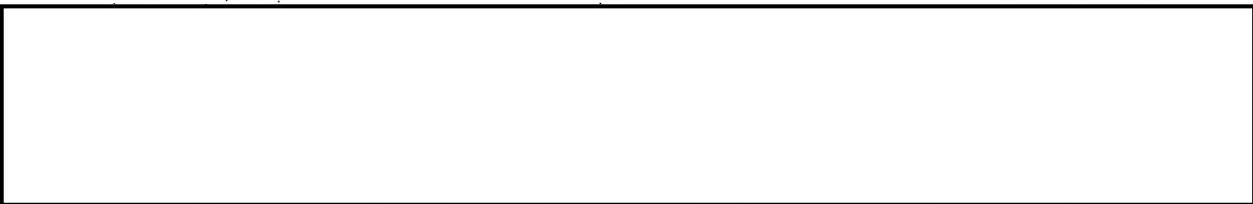
THE MINNEAPOLIS OFFICE

At Minneapolis, Minnesota

Will report the results of investigation which is presently being conducted at Fairmont, Minnesota, where [redacted], Fairmont Novelty Company, will be interviewed in accordance with Omaha memorandum to Minneapolis dated October 29, 1951.

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I N F O R M A N T



b2

R E F E R E N C E

Report of SA [redacted], Minneapolis, dated October 18, 1951.

Office Memorandum • UNITED STATES GOVERNMENT

TO: Director, FBI (71-3129)

DATE: November 14, 1951

FROM: SAC, Omaha (71-206)

AIR MAILSUBJECT: [REDACTED] was., ET AL
INTERSTATE TRANSPORTATION
OF GAMBLING DEVICES

Re report of SA [REDACTED], dated November 5, 1951 at Omaha.

[REDACTED] was recontacted on October 29, 1951. At that time he examined photographs of the truck previously procured by the Minneapolis Office, and stated that the truck which he observed at Davenport, Iowa and Rock Island, Illinois on March 2, 1951 bore identical markings. He was, however, unable to state that same was the identical truck for the reason that the truck he observed on that occasion was open at the rear with a metal tailgate extending across the bottom of the rear opening, the upper portions of the opening being covered by curtains, probably made of canvas. He states that it is the same type of truck and may well be the same identical truck, but if so, that the rear end thereof has been remodeled to form its present appearance. [REDACTED] seems very certain on this point as he says that he specifically recalls having had a conversation with [REDACTED] as to the number of machines which could be safely loaded into the body of the truck and still be concealed from view, pointing out that the metal tailgate was sufficient in height only to permit machines to be loaded one deep on the floor of the body.

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With reference to the letter which [REDACTED] has previously mentioned having received from HERMAN PASTER demanding that he, [REDACTED], give top priority to the location of slot machines which could be purchased at sacrifice prices in the Davenport area, [REDACTED] states that he has still been unable to find this letter, but that he has discussed the matter with his wife and she seems positive that it is still somewhere among his papers. [REDACTED] states that [REDACTED] read the letter at the time of its receipt and is familiar with its contents to the extent that she could testify with reference to same. He has promised to make a further diligent effort to locate the letter.

[REDACTED] was also shown a photograph of ALBERT GARDNER, FBI #283270, and immediately and positively identified the photograph as being one and the same "AL" GARDNER whom he saw in [REDACTED] company on March 2, 1951.

[REDACTED] also examined a copy of the photograph of [REDACTED] previously furnished by the Minneapolis Office, and he states that he

CGM:bk

cc: Chicago (71-514) **RECORDED-81**
 Milwaukee
 Minneapolis (71-161)
 Springfield (71-100) **INDEXED-81**

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OM 71-206

could identify the same as being a photograph of [redacted], but that he is very dubious that persons less well acquainted with [redacted] than he could make such an identification on the basis of the photograph. [redacted] pointed out that [redacted] is now almost completely bald, whereas the photograph shows him to have a full head of hair, and further, that [redacted] facial appearance has now taken on that of middle age whereas the photograph depicts a young man who is obviously immature. He also called attention to the fact that the depth of color in the photograph, particularly as to the hair, eyebrows, and eyes, would be misleading as they appear darker in the photograph than they actually are.

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Along this line, it is noted that numerous other persons positively known to have dealt with [redacted] not only in the Davenport area, but elsewhere in Iowa, are unable to effect any identification on the basis of that photograph.

Accordingly, it is suggested that the Minneapolis Office give consideration to obtaining a photograph of [redacted] by use of surveillance tactics, if necessary, in order that a more adequate likeness of him may be procured for exhibition to numerous potential witnesses. If it is possible to do so, it would be highly desirable to have such photograph of [redacted] hatless.

On October 30, 1951 [redacted]

[redacted] Des Moines, Iowa, was interviewed

by SA [redacted] and SA [redacted]

It is noted that [redacted] was, until recent months, associated with HERMAN PASTER, personally, as a partner in the P & S Distributing Company at Des Moines, but that their partnership has subsequently been dissolved amidst hard feelings.

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[redacted] appeared to be friendly but somewhat reluctant to furnish information concerning the activities of HERMAN PASTER and the various Paster enterprises, and it is believed that he could have furnished considerable more information than he did, the lack thereof apparently being attributed to his conviction that it would be "unethical" for him to furnish damaging information about HERMAN PASTER and various employees of the Paster interests which he had gained through business association with PASTER at the time they were in partnership.

[redacted] stated that it should be well known to all that he has never engaged in the handling of slot machines and that he has at all times restricted both his personal activities and those of the P & S Distributing Company, while he was a partner of PASTER's, to the handling and servicing of juke boxes and other legitimate types of coin operated machines.

OM 71-206

According to [redacted], sometime during February, 1951, PASTER broached to him the subject of buying up slot machines at distressed prices and that PASTER mentioned to him at that time that inasmuch as the "Minnesota law" was almost certainly going to become law in Iowa, such machines should be available for whatever they cared to pay for same. [redacted] said that he did not even make any direct response to PASTER's suggestion, if in fact it was a suggestion that he, [redacted], engage in this type of traffic, and that he has had no other conversations with PASTER where the subject was mentioned.

[redacted] went on to state that although [redacted] and other employees of PASTER probably actually did the "leg work", knowing PASTER's method of operation, it would actually be HERMAN PASTER who would direct every detail of the procurement and transportation of slot machines, whether in the State of Iowa or elsewhere.

[redacted] said that at one time he heard rumors, the source of which he does not now recall, that the most machines procured by the PASTER interests were being accumulated in St. Paul, Minnesota and shipped to Philadelphia, Pennsylvania by railroad. He said that he would not want any reliance to be placed upon this statement, however, as it is an off hand recollection only, and as he is not even able to recall its source, he would not be in any position to vouch for its authenticity. b6 b7C b7D

[redacted] said that whatever was done by the PASTER interests, including the Mayflower Distributing Company and the Paster Distributing Company, in procuring slot machines either in Iowa or elsewhere, the facilities of the P & S Distributing Company were never used and he had no personal knowledge of such activities of any kind. He said, however, that from various coin operated machine operators, he heard, during the winter of 1950-51 and the early months of 1951, that [redacted] and possibly other employees of the PASTER interests, were operating widely in approximately the north-eastern third of the state of Iowa and had purchased unknown quantities of slot machines, chiefly from private clubs, which machines were subsequently transported to St. Paul, Minnesota by truck.

He said that he also heard from the same sources that one [redacted] of Osage, Iowa had been employed by HERMAN PASTER on a commission basis to ascertain the availability and location of slot machines which could be purchased, although it seemed to be the prevalent opinion that [redacted] was not actually buying the machines, the details of the purchases having been left to [redacted] and other employees of the Paster interest.

[redacted] said that the only other information that he could furnish which might be pertinent was to the effect that he had heard rumors from sources which he now does not recall to the effect that the PASTER interests

OM 71-206

probably represented by [redacted] had purchased machines from private clubs at Iowa Falls, Eldora, Charles City, and New Hampton, Iowa, although he believes these to be only a few of the places from which the machines were procured.

Also, on October 30, 1951 [redacted] of Iowa, [redacted], Des Moines, Iowa, was interviewed by SA [redacted] and SA [redacted]

At the outset of the conversation [redacted] repeated a previously stated dislike for HERMAN PASTER and said that his dislike was predicated upon PASTER's unethical business methods, which methods he stated have caused considerable difficulty throughout the Middle West in the coin operated machine field.

[redacted] also stated, however, that he had personal knowledge or information of evidentiary value concerning the activities of HERMAN PASTER and his various employees in connection with the procuration of slot machines by the PASTER interests during the period January 2, 1951 to date, and added that even if he had such information, he would be loth to disclose it for the reason that he did not like to be known as the "finger man" in any situation which would result in imprisonment of anyone in the coin operated machine field. [redacted] said, however, that he would be pleased to give such information as he might have from hearsay concerning such activities on the part of PASTER and his employees for such value as same might have for the purpose of investigative leads.

[redacted] then stated that it was inevitable that the Bureau could conduct investigation of HERMAN PASTER, the Paster Distributing Company, the Mayflower Distributing Company, and the activities of the employees of such company, without it eventually becoming known generally throughout the coin operated machine industry that such investigation was taking place. [redacted] volunteered a statement to the effect that so far information coming to him would indicate that considerable interest has been shown by the Bureau in the activities of the PASTER interests in the State of Iowa. He commented that while he believes that PASTER employees were probably quite active in Iowa during the late Fall of 1950, the Winter of 1950-51, and perhaps until the Spring of 1951 in buying up slot machines in Iowa, he is positive that the total of such activities in that state were insignificant in comparison with such activities on the part of HERMAN PASTER and persons acting under his direction for the same period in the aggregate.

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[redacted] then stated that he had reliable information to the effect that HERMAN PASTER apparently decided to capitalize on the then apparently impending federal legislation which would prohibit the interstate traffic in slot machines as early as during the late Fall of 1950-51. He has information to the effect that one [redacted], formerly of Omaha, Nebraska, who was

OM 71-206

then an employee of HERMAN PASTER, was given a letter of credit for a total of \$200,000 and was also personally instructed by HERMAN PASTER to travel through the Rocky Mountain and Pacific Coast areas and buy up every available slot machine wherever same could be obtained at distressed prices. [] pointed out that at this time most slot machine operators believed that the above mentioned federal legislation would materialize shortly and, in his estimation, were probably willing to consider the acceptance of prices for their slot machines which represented only a fraction of their true value. [] said that [] traveled the above area as instructed by PASTER and not only expended the \$200,000 represented by the letter of credit, but also procured from PASTER an additional sum of approximately \$125,000, all of which monies were used to purchase slot machines. [] stated that he believes that the Jones Distributing Company of Denver, Colorado which also has branches in San Francisco, California, Salt Lake City, Utah, and perhaps other cities, was probably cognizant of [] dealings in connection with the procurement of slot machines per the above. [] declined to state whether or not [] had purchased slot machines from the Jones Distributing Company or with the assistance of individuals connected with that company, but the inference made by [] was that persons connected with the policy making of that organization could no doubt furnish pertinent information if they were disposed to do so.

[] went on to state that it is his understanding that it is necessary for anyone dealing in slot machines subsequent to January 2, 1951 to file inventories of slot machines and parts on hand with the Attorney General of the United States. He said that he was not attempting to tell the Federal Bureau of Investigation how it should conduct its investigation, but he felt that probably the machines which he believes to have been purchased by [] as above mentioned, and probably all other machines procured by the PASTER interests, were eventually transported to St. Paul, Minnesota or to some point within Minnesota. He conceded that machines purchased by [] were probably purchased before the effective date of the federal statute, but said that it is nevertheless his opinion that HERMAN PASTER and/or the PASTER interests had several thousand machines in their possession either at St. Paul, Minnesota or at some point within the State of Minnesota at the time of the effective date of the federal statute, and that if the inventory filed by the PASTER interests does not reflect their holding of such machines as of the date of the taking effect of the federal law, then HERMAN PASTER and his interests are either in violation of the law for having failed to reflect possession of that number of machines, or that they no longer have the machines and have disposed of them or many of them, subsequent to the effective date of the federal statute.

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[] went on to state that during World War II HERMAN PASTER was generally considered in the slot machine industry as being the largest handler of

machines. He said that at that time PASTER had a factory which was, in the trade, considered larger than that of the Mills Novelty Company in Chicago, Illinois, and that in fact PASTER had hired numerous of the more highly skilled Mills employees to work in his plant. [redacted] said that at that time PASTER was engaged chiefly in the reconditioning of slot machines of various manufacturers, but that he may have made some machines of his own.

[redacted] expressed the opinion that it would be typical of PASTER to permit his subordinates to handle the mechanics of the actual purchasing, transportation, and storage of machines, especially where there was any possibility of involvement with criminal laws, but that it is also well known that HERMAN PASTER, personally, runs the affairs of the PASTER interests in general with a very firm hand and that HERMAN PASTER, personally, would have closely followed and directed every movement of his various employees in this regard.

With reference to the operations of the PASTER interests in Iowa, possibly during the pertinent period, [redacted] said that his only information in this respect comes from hearsay from various sources, chiefly people who are interested in the coin operated machine business. He heard that [redacted] of Osage, Iowa, was buying machines for PASTER in the northeastern part of Iowa and the northcentral part of that state, but he was unable to state whether or not these activities on the part of [redacted] occurred prior to or after the effective date of the federal statute. He is also of the opinion that [redacted] (phonetic) of Mason City, Iowa might have assisted PASTER in the acquirement of slot machines in the northern part of that state. Other persons who he said would know something of PASTER's operations in the State of Iowa were [redacted] of Ft. Madison, Iowa, [redacted] of Keokuk, Iowa, one [redacted] of Ottumwa, Iowa, [redacted] of Sioux City, Iowa, and [redacted] of Arnolds Park, Iowa.

[redacted] said that he mentioned the above names only for what assistance the identities of these persons might have in connection with instant investigation, but he also stated that all or any of these persons might be uncooperative as the present status of their relationship to PASTER is unknown to him.

He also said that these people have in the past been interested and active in the operation of slot machines and constitute most of the largest former slot machine operators in Iowa. He mentioned that [redacted] presumably went out of business in 1949 but that nevertheless he would have probably followed the activities of other operators, including PASTER, in the field subsequent to that time.

The only specific locations from which [redacted] said he could recall having heard that the PASTER interests had procured slot machines in Iowa were at Mason City and Charles City, but that he is confident that PASTER's

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OM 71-206

employees, including [redacted], were actively soliciting slot machines for purchase in approximately the northern third of the state, although again, he does not recall whether or not such activities transpired prior to the date of the enactment of the federal statute or subsequent thereto.

On October 13, 1951, [redacted] Fairmont, Minnesota, was contacted by SA [redacted] at Mason City, Iowa, and on that occasion [redacted] advised that he might be in a position to develop substantial information with regard to the operations of [redacted] and HERMAN PASTER in connection with the interstate transportation of slot machines. [redacted] claimed a substantial acquaintance with [redacted] and HERMAN PASTER, and said that he personally, would like to see a "racketeer" like PASTER convicted and put out of business. It is noted that [redacted] company presently operates juke boxes but was formerly engaged in the operation of slot machines and punch boards.

[redacted] commented that HERMAN PASTER is at the present time quite worried concerning the FBI investigation of interstate transportation of slot machines, particularly those allegedly handled by the PASTER Distributing Company and related enterprises, and that arrangements have already been made that [redacted] will be the "fall guy" in the event that any prosecutions appear imminent.

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It was further ascertained from [redacted] that [redacted] of Osage, Iowa, a coin machine operator, has been acting as a "front man" for [redacted] in northern Iowa in an effort to secure slot machines for PASTER. These allegations have been verified through investigation and it is anticipated that [redacted] will be appropriately interviewed in the immediate future.

Investigation to date has additionally established that [redacted] purchased and transported from the Elks Club at Iowa Falls, Iowa, quantities of slot machines as late as March 1, 1951. [redacted] and [redacted] of Iowa Falls, Iowa, aided in the contact with that club. [redacted] who was interviewed on October 27, 1951 by SA [redacted], admitted helping load five or six machines into a panel truck operated by [redacted] these machines having been obtained from the Iowa Falls Elks Club. [redacted] at that time intimated that he felt that [redacted] might be storing these machines at a point in Iowa from which they would be subsequently picked up by larger truck and transported to St. Paul, Minnesota, after a complete load had been obtained.

With further reference to [redacted], he has stated that he has heard that HERMAN PASTER was obtaining machines in order eventually to dispose of them through contacts in South America; that all machines obtained are taken to

OM 71-206

St. Paul and from there transported to the Coast for transportation to South America.

[redacted] who usually spends a day or two at a time in Mason City, Iowa each week, has volunteered to recontact SA [redacted] as soon as he develops any pertinent information. The suggestion has previously been made to the Minneapolis Division that the Minneapolis Office might desire to contact [redacted] at Fairmont, Minnesota to solicit his cooperation in working with that office in St. Paul, Minnesota in contacting PASTER and his representatives in an effort to ascertain the complete and current operations of PASTER and [redacted]. It is noted that [redacted]

[redacted] although this, according to [redacted] is not generally known.

It is desired that the identities of [redacted] as having furnished the above information be kept strictly confidential. The information above attributed to them, together with any information which may subsequently be obtained from them, will be incorporated in the next investigative report to be made by the Omaha Office on this case.

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FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT

OMAHA

FILE NO.

REPORT MADE AT CHICAGO, ILLINOIS	DATE WHEN MADE 11/19/51	PERIOD FOR WHICH MADE 10/5, 8; 11/14/51	REPORT MADE BY JFG:bjh
TITLE GARDNER, Was., Abraham Gardner, Al Gardner, HERMAN PASTER		CHARACTER OF CASE INTERSTATE TRANSPORTATION OF GAMBLING DEVICES	
SYNOPSIS OF FACTS: Records of Bell-O-Matic Corporation, Chicago, failed to reflect sales of slot machines to [redacted]		<i>b6 b7C</i> Records reflect [redacted] purchased six keys for slot machines, June 10, 1946; Serial Numbers of keys set out in details.	
- RUC -			
DETAILS: AT CHICAGO, ILLINOIS			
<p>[redacted] Secretary of the Bell-O-Matic Corporation, 4100 West Fullerton Avenue, Chicago, Illinois, searched the records of his Company; however, he failed to find any records reflecting the sale of slot machines to [redacted] of Davenport, Iowa.</p> <p>The records also failed to reflect the sale of slot machines to the Scott County Voiture of the Forty & Eight or the Davenport Forty & Eight.</p> <p><i>MO</i></p> <p><i>Mederoy 11-30-51</i></p> <p><i>100</i></p> <p>The records of the Company, however, do reflect that one [redacted] home address [redacted], Davenport, Iowa, [redacted] American Legion Post Number 548, Walcott, Iowa, pur-</p>			
APPROVED AND FORWARDED: <i>190 Conn</i>	SPECIAL AGENT IN CHARGE <i>my</i>	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT 3 - Bureau (71-3129) 3 - Omaha (71-206) 2 - Minneapolis (71-161) 3 - Chicago (71-514)		71-3129-770 NOV 23 1951 <i>2</i>	SEARCHED SD 35 INDEXED 62 RECORDED 62

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CG 71-514.

chased six keys for slot machines previously sold to Post No. 548. This transaction took place on June 10, 1946. The Numbers of these keys were as follows:

B-35306
B-36216
C-37599
C-30666
C-30929
D-88542

- REFERRED UPON COMPLETION TO THE OFFICE OF ORIGIN -

CG 71-514

ADMINISTRATIVE PAGE

L E A D S

Copies of this report are being furnished for the Minneapolis Office per their request.

THE OMAHA DIVISION

AT DAVENPORT, IOWA

Will reinterview [redacted] to determine if slot machines referred to may have been purchased in another name or if they may have possibly been purchased from another Company manufacturing slot machines in Chicago.

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REFERENCES: Letter from Omaha to Chicago dated September 29, 1951.
Report of SA [redacted] at Minneapolis dated October 6, 1951.
Report of SA [redacted] dated November 5, 1951 at Omaha.

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (71-3129)

FROM : SAC, MINNEAPOLIS (71-161)

SUBJECT: [REDACTED]

DATE: November 20, 1951

ATTENTION: IDENTIFICATION DIVISION
INTERSTATE TRANSPORTATION OF
GAMBLING DEVICES

Re report of SA [REDACTED] dated November 5, 1951 at Omaha containing a lead for the Minneapolis office to exhibit photographs of various individuals amongst whom is listed WALTER D. JOHNSON.

At the Minnesota Drivers License Division, 1279 University Avenue, Minneapolis, Minnesota, as of November 13, 1951, there was on file an application dated March 22, 1948, containing the following information.

Carbon of memo stamped

TO BPD Minneapolis

FROM IDENTIFICATION DIVISION

UNABLE TO IDENTIFY WITH [REDACTED] RECORD
ON BASIS OF INFORMATION FURNISHED.

Name: WALTER DONALD JOHNSON
Residence: 1697 Bayard Avenue, St. Paul, Minn.
Business address: 2218 University Avenue
Race: St. Paul, Minn.
Age: White
Height: Born 3/16/06
Weight: 6'
Hair: 192 lb.
Eyes: Blond
Occupation: Blue
Drivers License: Accountant
A 236503 O

Detective Lieutenant [REDACTED], Identification Division, St. Paul Police Department, advised on November 13, 1951, that they have no record on JOHNSON.

It is requested that the indices of the Identification Division be checked in an effort to locate a possible identification record for JOHNSON and if one is located, please furnish same, including all aliases, addresses, names of associates, description, fingerprint classification and copies of photographs, to this office and the other offices receiving copies of this communication.

RNP:SS

cc: Springfield (71-100)
Milwaukee
Omaha (71-206)
Chicago (71-514)

RECORDED - 153

INDEXED - 153

EX - 3

61 DEC 3 1951

Recd 4¹⁵ PM 11/24
11/24 1951

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

11/24 1951

TELETYPE

G. I. R. - 10

FBI, ALBANY

11-24-51

3-03 AM

DIRECTOR, AND SACS WASHINGTON FIELD, CHICAGO, ST. PAUL

URGENT

PASTER DISTRIBUTING COMPANY, ST. PAUL, MINNESOTA, ITGD. [REDACTED]

[REDACTED], MONTREAL, QUEBEC STOPPED AT US CUSTOMS, RICHFORD, VERMONT

WITH FIVE HOLLY CRANE DIGGER MACHINES, MANUFACTURED BY COMO

MANUFACTURING COMPANY, CHICAGO, ILLINOIS. [REDACTED] PICKED UP

MACHINES FROM CENTRAL VERMONT RAILROAD AT RICHMOND, VERMONT

NOVEMBER TWENTYTHREE LAST. [REDACTED] PURCHASED MACHINES FROM

PASTER DISTRIBUTING COMPANY, TWO TWO ONE EIGHT UNIVERSITY AVENUE

ST. PAUL MINNESOTA. BILL OF LADING INDICATES MACHINES SHIPPED

BY HOLLY SALES COMPANY, SAME ADDRESS IN ST. PAUL. MACHINES

SEIZED UPON AUTHORIZATION OF USA, BURLINGTON, VERMONT. CHICAGO

AND WASHINGTON FIELD ASCERTAIN IF COMPANIES REGISTERED WITH

ATTORNEY GENERAL AND SUTEL.

BATTLE

END

RECORDED - 119

PLS ACK

3-08 AM OK FBI CWA LEAS1

TUV

TWO COPIES WFO

71-3129-76

Mr. Nelson
Mr. Ladd
Mr. Nichols
Mr. Behnke
Mr. Chappell
Mr. Coffey
Mr. Edwards
Mr. Felt
Mr. Glavin
Mr. Johnson
Mr. Lester
Tele. Room
Mr. Nease
Miss Gandy

b6
b7c

Best Available
Copy

SAC, Omaha (71-206)

November 15, 1951

Director, FBI (71-312)

TOOGD

was., et al

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cc: [redacted]
Nebraska.

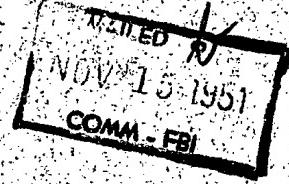
dated 11-5-51, at Omaha,

The leads for your office set out in this report should be given immediate and thorough investigative attention. It is expected that each office having investigation outstanding in this case will thoroughly review the facts and conduct all investigation which is logically suggested. This matter is being closely followed by the Bureau and it is expected that each office having outstanding investigation will submit a report without delay.

cc: Chicago (71-514)
Milwaukee
Minneapolis (71-161)
Springfield (71-100)

AMB:rsn

Tolson _____
Ladd _____
Clegg _____
Olavin _____
Nichols _____
Rosen _____
Tracy _____
Harbo _____
Alden _____
Belmont _____
Laughlin _____
Mohr _____
Tele. Room _____
Nease _____
Gandy _____



RECORDED - 119

NOV 21 1951

EX-130

6DEC5 1951

0-335

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AB

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (71-3129)

DATE: November 26, 1951

FROM : SAC, Minneapolis (71-161)

SUBJECT: [REDACTED] was., et al

ITGD

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Rerep Special Agent [REDACTED], Omaha, dated November 5, 1951, Page 54, suggesting that photographs of ALLEN ISADORE NILVA, et al, be obtained.

Instant file reflects that the Minneapolis, Omaha, Chicago and Springfield Offices possess copies of the identification record of ALLEN ISADORE NILVA, FBI No. 665 115A, dated March 27, 1950, which reflects that he was fingerprinted by the Army, No. 37544128, at Fort Snelling, Minnesota, on December 14, 1942.

In an effort to possibly obtain a photograph of ALLEN ISADORE NILVA, the St. Louis Office is requested to check the War Department records at St. Louis, Missouri, and obtain all background data appearing therein regarding this individual and likewise obtain a copy of his photograph, if available.

The information obtained by the St. Louis Office should be incorporated in an investigative report, not in a letter, and copies should be furnished to all of the offices receiving copies of this communication. Especially should the United States Attorney at Des Moines, Iowa, be furnished with a copy of the report.

RNP:GEJ

cc: 1 - Omaha (71-206)
 1 - Chicago (71-514)
 1 - Milwaukee
 1 - Springfield (71-100)
 2 - St. Louis

RECORDED - 132

INDEXED - 132

DEC 4 1951
10

57 DEC 10 1951

EX-831

FJD

SAC

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (71-3129)

DATE: November 27, 1951

FROM : SAC, Minneapolis (71-161)

SUBJECT: [REDACTED] was., et al

ITGD

Re 84

Rerep Special Agent [REDACTED] Omaha, dated November 5, 1951, Page 53,
requesting this office to obtain a more recent photograph of [REDACTED]

The report of Special Agent [REDACTED] Baltimore, dated April 7, 1951, copies of which were furnished the Chicago, Minneapolis, Omaha and Springfield Offices, make reference to checking the records for [REDACTED] at the E. I. DuPont de Nemours Company, Inc., Bloomington, Delaware. That report reflects that in his application dated June 5, 1942, [REDACTED] wrote that he is a [REDACTED], Office of Civilian Defense.

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The report of Special Agent G. [REDACTED] St. Louis, dated May 1, 1951, copies of which were furnished the Chicago, Minneapolis, Omaha and Springfield Offices, reflect that records at the Adjutant General's Office, St. Louis, Missouri, for [REDACTED], ASN [REDACTED], reflect that he enlisted in the United States Army on May 12, 1942, and entered on active duty on October 28, 1942, at Minneapolis, Minnesota; that he was honorably discharged on December 8, 1945, as a private first class from the First American Air Force Base Unit at Andrews Field, Washington, D. C. The records also reflect that [REDACTED] was eliminated from pilot training on June 16, 1943, because of failure in flying, and it was recommended by the Faculty Board, Chicago Army Air Field, that he have further air crew training in navigation or bombardiering; that on August 23, 1943, [REDACTED] was eliminated in further air crew training because of failure to meet the prescribed physical and educational requirements.

Instant file reflects that the Omaha, Minneapolis, Chicago and Springfield Offices possess the identification record, FBI No. [REDACTED] dated September 28, 1951, for [REDACTED] which reflects that he was finger-printed as an applicant January 24, 1941, by the OCD, Washington, D. C., and as an applicant on January 30, 1942, by the CAA, Washington, D. C.

Unless the Washington Field Office has already done so, it is suggested that the records of the appropriate governmental agencies in Washington, D. C., be checked to obtain all information they contain regarding [REDACTED] background and past activities, and especially ascertain whether or not there is on file any photographs.

RNP:GEJ

cc: 1 - Omaha (71-206)
 1 - Chicago (71-514)
 1 - Milwaukee
 1 - Springfield (71-100)
 2 - Washington Field

RECORDED - 24
 G.I.R. 5/28/51
 X3

DEC 4 1951

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171-3129-15

Memo to Director

November 27, 1951

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Re: [redacted] was., et al
ITGD

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The Washington Field Office should designate copies of their report, not a letter, for all offices receiving copies of this communication and especially should a copy be designated for the United States Attorney at Des Moines, Iowa.

Best Available
Copy

SAC, Minneapolis (71-161)

January 7, 1952

Dir. RECORDED 156 (71-3129) = 76
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Reurlet 11-26-51.

A search of the files at the Department of the Navy reveals that one [REDACTED] enlisted August 29, 1940, and received a Medical Discharge on December 26, 1940. His date of birth is listed as [REDACTED] Minnesota. This record is not on file at the Department of the Navy and is presumed to be at Garden City, New York. The New York office is requested to review this record furnishing the results and a photograph if available to all offices receiving a copy of this communication except St. Louis.

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A search of the files at the Department of the Air Force indicates a record for one [REDACTED]. This record is not on file and is presumed to be at RAOAG. The St. Louis office is requested to review this record furnishing the results and a photograph if available to all offices receiving a copy of this communication except New York.

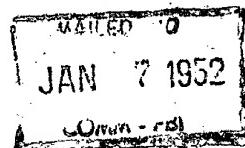
A search of the name indices of the Identification Division reveals that [REDACTED] has been assigned FBI [REDACTED]. A transcript of this record is enclosed.

Enclosure

cc- SAC, Omaha (71-206)
SAC, Chicago (71-514)
SAC, Milwaukee
SAC, Springfield (71-100)
SAC, New York
SAC, St. Louis

LNW: jam

Tolson _____
Ladd _____
Nichols _____
Belmont _____
Clegg _____
Glavin _____
Harbo _____
Rosen _____
Tracy _____
Mohr _____
Tele. Rm. _____
Nease _____
Gandy _____



63 JAN 22 1952

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (71-3129)

DATE: November 26, 1951

FROM *[Signature]* SAC, Minneapolis (71-161)

SUBJECT: [redacted] - ms. et al

TTGD

Rerep Special Agent [REDACTED], Omaha, dated November 5, 1951, Page 53
requesting this office to obtain a recent photograph of [REDACTED]

The report of Special Agent [redacted], Baltimore, dated April 7, 1951, copies of which were furnished the Chicago, Minneapolis, Omaha and Springfield Offices, reflects that, according to the records of the E. I. DuPont de Nemours Company, Bloomington, Delaware, [redacted] enlisted in the United States Navy Officers' Training Course in October of 1940 and served aboard the USS Arkansas and received an honorable medical discharge in 1940.

It is requested that the records at the Navy Annex, Arlington, Virginia, be reviewed and all information appearing therein be obtained and especially ascertain whether or not there is on file a copy of his photograph.

The Bureau's reply, together with a photograph, if available, should be furnished to all offices receiving copies of this communication.

RNP:GEJ

cc: 1 - Omaha (71-206)
1 - Chicago (71-514)
1 - Milwaukee
1 - Springfield (71-100)

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Long 5° 5' 2"
Date 10/02
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Best Available

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UNITED STATES GOVERNMENT

TO : Director, FBI (71-3129)

DATE: November 27, 1951

FROM : SAC, Minneapolis (71-161)

SUBJECT: [REDACTED], was., et al.

ITGD

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M 8-1

Rerep [REDACTED], Omaha, dated November 5, 1951, Page 15, which reflects that [REDACTED] recalled that [REDACTED] stated he had used in transporting such machines a 1950 green panel delivery truck which might also be described as a sedan delivery truck and, according to [REDACTED] this would be a truck licensed to the Paster Distributing Company in the State of Minnesota.

The report of Special Agent [REDACTED], Minneapolis dated March 22, 1921, Page 7, makes reference to Special Agent [REDACTED] and [REDACTED] on March 4, 1951, observing in front of [REDACTED] residence at [REDACTED] [REDACTED], Minnesota, a 1950 blue-gray colored Chevrolet panel truck which bore 1951 Minnesota License No. 95-328.

That same report reflects that records at the Motor Vehicle Division, State Capitol, St. Paul, Minnesota, reflect that the above truck is registered to the Mayflower Distributing Company, 2218 University Avenue, St. Paul, Minnesota, Serial No. 21 HJC 9544.

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Instant file contains memoranda which were submitted by the Agents on the above surveillance and a memorandum of Special Agents [REDACTED] and [REDACTED] dated March 6, 1951, making reference to those Agents taking up a surveillance to cover [REDACTED] and a light green panel truck, License No. Y95-328.

The memorandum of Special Agents [REDACTED] and [REDACTED] dated March 6, 1951, reflects that at 8:20 A.M. on March 5, 1951, a man resembling [REDACTED] left the residence at [REDACTED] [REDACTED], Minnesota, and that he got into a light green Chevrolet panel truck with Minnesota License No. Y95-328.

The Omaha Office should bear in mind that the above described truck possibly is identical with the one referred to by [REDACTED]

RNP:GEJ

cc: 1 - Omaha (71-206)
 1 - Chicago (71-514)
 1 - Milwaukee
 1 - Springfield (71-100)

59 DEC 11 1951

RECORDED - 18

171-3129-77
DEC 4 1951

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Office Memorandum • UNITED STATES GOVERNMENT

TO: Director, FBI (71-3129) AMSD

FROM: SAC, Omaha

SUBJECT: [REDACTED], Was., Et AL
ITGD

DATE: 12-7-51

Rerep SA [REDACTED], dated 11-5-51, Omaha, Nebraska, and Minneapolis tels to Director and Omaha, dated 11-27 and 12-3-51.

G.I.R.-6
128-1

On December 4, 1951, SA [REDACTED] of this office discussed this case and its various ramifications at considerable length with WILLIAM R. HART and CLOUD I. LEVEL, U. S. Attorney and Assistant U. S. Attorney, respectively, for the Southern District of Iowa, at Des Moines, Iowa.

As a result of that conference, Messrs. HART and LEVEL stated that they desired to and will prosecute [REDACTED] and GARDNER on the basis of the transportation of the seven slot machines purchased by [REDACTED] from American Legion Post No. 26, Davenport, Iowa, on or about March 2, 1951, from Davenport, Iowa, to Rock Island, Illinois on or about the same date. This, as investigation to date has reflected by rerep orally supplemented by information developed subsequent in preparation of rerep, would indicate a clear-cut independent violation of the statute which actually involves slot machines.

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With reference to possible prosecution of HERMAN PASTER in connection with the above case, they are temporarily reserving opinion. They pointed out that it is very doubtful that PASTER's guilt as a violator directly in connection with the interstate transportation of the machines could be established, but that it is well within the realm of possibility that they would desire to prosecute him for a violation of the general conspiracy statute.

Such prosecution would be on the basis of two or three long distance telephone calls by PASTER to [REDACTED] during February of 1951, demanding, over and above [REDACTED] objections that [REDACTED] give top priority to locating slot machines available for purchase in the Davenport area, plus a letter from PASTER to [REDACTED] during the same month to the same effect. In addition, they observed that [REDACTED] testimony which would be to the effect that he was present in [REDACTED] room at the

CGM:bgh
71-206

cc - Minneapolis (71-161) (AMSD)
- Chicago (71-514) *POX*
- Milwaukee
- Springfield (71-100)

RECORDED-114

EX-68

DEC 10
31

71-3129-78

OM 719206

Blackhawk Hotel, Davenport, Iowa, on March 1 or 2, 1951, when [redacted] called PASTER personally at Milwaukee, Wisconsin for his instructions as to the purchase of slot machines at Davenport and which conversation resulted in the purchase of the above seven slot machines and others on March 2, 1951, per rerep.

[redacted] heard [redacted] end of that conversation and was advised immediately thereafter, by [redacted], that PASTER had just instructed him to buy every available machine for ultimate transportation to St. Paul, Minnesota.

It is noted that although [redacted] and his wife are believed to have made extensive and repeated efforts to locate the above mentioned letter, their efforts have been unproductive.

Mr. HART pointed out that the next regular Grand Jury for the Southern District of Iowa will not convene until April of 1952, and he expressed some reluctance to call a Special Grand Jury for the sole purpose of presenting instant case. However, the possibility still exists that a special Grand Jury may be called for that purpose some time after January 15, 1952. Messrs. HART and LEVEL advised they desired to handle this proceeding only by indictment in order to avoid the revelation of the details of the government case prematurely.

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Their decisions will be reached on the matter of the prosecution of PASTER and concerning the session of the Sepcial Grand Jury in the near future and the Bureau and interested offices will be promptly advised.

Messrs. HART and LEVEL said they have no objection whatever, to the U. S. Attorney at St. Paul, Minnesota proceeding against the Paster Distributing Co., or the Mayflower Distributing Co. at any time in any manner he may deem advisable, but they do not desire to drop from consideration or defer prosecution of the Davenport Case as above outlined, in favor of any such proceedings unless it should appear that their suggested procedure would seriously impair the successful prosecution of a very substantial and important case in the Minnesota District. They suggested that the Omaha Office refer the above information to the Minneapolis Office for transmittal to the U.S. Attorney at St. Paul, Minnesota.

It is again noted that the lack of adequate photographs of [redacted] and GARDNER has probably resulted in the failure of a

OM 71-206

large number of witnesses in both the Omaha and Springfield Divisions to identify these subjects even though they are positively known to have observed or dealt with them. Some of such witnesses are key witnesses whose testimony would appear to be indispensable; such as [redacted] and [redacted]. It is suggested that the Minneapolis Office expeditiously procure more recent photographs of both these subjects by means of telephoto photography if necessary. Such photographs appear to be indispensable to the completion of necessary investigation of the Davenport phase of instant case.

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At this time it appears that several additional similar violations on the part of [redacted] and perhaps others connected with or implicated by the [redacted] interests, appear to be shaping up in the Northern District of Iowa. A report in this connection has been prepared and is going forward from this office today. It is contemplated that the investigation remaining to be conducted in the Northern District of Iowa will continue to receive preferred attention with a view to establishing all possible violations as quickly as possible.

From the contents of Minneapolis teletype of November 27, 1951, it is noted that the investigation of the Paster Distributing Company and Mayflower Distributing Company of St. Paul, Minnesota, shall be reported in instant case in which Omaha is origin. A separate file has been opened in the Omaha Division, designed to receive and contain such information which may subsequently be received concerning the activities of these companies and which has no specific relationship to instant case.

It is suggested that the Bureau and Minneapolis Office give consideration to the opening of an independent case file in which Minneapolis would be origin and which would cover any activities of the Paster Distributing Company, the Mayflower Distributing Company and their employees or representatives which do not appear to be related to this case or the activities on the basis of the Paster interests in the territories of the Omaha Division. It is noted that the operation of the Paster interests center in St. Paul, Minnesota and that same are conducted on a national and international scale and it is felt that the above suggested procedure would, if followed, result in greatly facilitating the administration of both cases at the Bureau and in the various interested Field Offices.

Office Memorandum • UNITED STATES GOVERNMENT

98806

TO : Director, FBI (71-3129)

DATE: December 3, 1951

FROM : SAC, Minneapolis (71-161)

SUBJECT: [REDACTED], was., et al.

INTERSTATE TRANSPORTATION OF
GAMBLING DEVICES

Lg
WY

Rereport SA [REDACTED], Minneapolis, dated November 29, 1951, containing a lead for Minot, North Dakota, to interview [REDACTED]. The report also contains leads at St. Paul, Minnesota, to check records at the Dakota Transfer Company and at the Hart Truck Line.

Inasmuch as [REDACTED] is the subject of Minneapolis file 71-170 entitled, "INTERSTATE TRANSPORTATION OF GAMBLING DEVICES," a copy of Agent [REDACTED] report is being removed from instant [REDACTED] file and is being placed in the [REDACTED] file.

Subsequently the information appearing in this report concerning [REDACTED] will be incorporated into a report, which will be submitted in the [REDACTED] case.

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Accordingly, the leads at St. Paul and Minot, North Dakota, to interview [REDACTED] and to check records at the Dakota Transfer Company and the Hart Truck Line will be disregarded insofar as instant [REDACTED] case is concerned and if such interview is to be conducted and if such records are to be checked, appropriate leads will be set forth in the [REDACTED] file.

Inasmuch as the Mayflower Distributing Company and the Paster Distributing Company will undoubtedly be mentioned or investigated in connection with the [REDACTED] file, the Omaha Office will be forwarded copies of reports for information purposes which will be submitted in the [REDACTED] case if reference is made therein to the Mayflower Distributing Company or the Paster Distributing Company.

RNP:MM

cc - 2 Omaha (71-206) (AM)
 - 1 Chicago (71-514)
 - 1 Milwaukee
 - 1 Springfield (71-100)
 - 1 Mpls 71-170

RECORDED - 75

INDEXED - 75

EX-68

71-3129-79
DEC 6 1951
31

58 DEC 17 1951

J371

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT

FILE NO.

OMAHA

REPORT MADE AT MINNEAPOLIS	DATE WHEN MADE 11/29/51	PERIOD FOR WHICH MADE 10/29 11/13, 20/51	REPORT MADE BY [REDACTED], SA plh
TITLE [REDACTED]	CHARACTER OF CASE INTERSTATE TRANSPORTATION OF GAMBLING DEVICES		

SYNOPSIS OF FACTS:

HERMAN PASTER sold 28 flat top slot machines in Dec. 1950 which were delivered into N.D. Smith Bros. Novelty Co., Fargo, ND, purchased several "hollycrane" machines from Mayflower Distributing Company.

--P--

DETAILS:

AT FARGO, NORTH DAKOTAb6
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[REDACTED] Special Agent, Intelligence Unit, Internal Revenue, advised Special Agent [REDACTED] that [REDACTED] was being checked by Acting Special Agent [REDACTED], Intelligence Department, Internal Revenue, on October 25, 1951, in connection with his income tax return. In regard to depreciation credit wanted by [REDACTED], he made available to [REDACTED] some information concerning his dealings with HERMAN PASTER, Minneapolis, Minnesota. He advised [REDACTED] he had purchased 28 flat top slot machines which were new from HERMAN PASTER. When they arrived in Minot, North Dakota, he did not have sufficient money to complete the purchase and did not take possession of them. The machines were stored in the Stearns Garage in Minot, North Dakota, but about January 5, 1951, EMILE CHRISTIANSON, who operates the State Line Night Club west of Williston, North Dakota, just over into Montana, came to the garage and took the machines to Williston and probably took them to the State Line Night Club.

McGinnis
12-17-51 COPIES DESTROYED
85 AUG 17 1966

APPROVED AND FORWARDED: <i>MJS Bonisteri</i>	SPECIAL AGENT IN CHARGE <i>Ro</i>	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT		ML 3129 - 80	RECORDED - 42
3 Bureau (71-3129) 1 Springfield (71-100)		1	INDEXED - 42
1 USA, St. Paul (Info.)			
3 Omaha (71-206) 3 New Orleans (71-161)			
3 (1 USA Des Moines)			
1 Butte (Info.) 6 Minneapolis (71-161)			
3 Chicago (71-514) (2 - 71-181)			
1 Milwaukee (Info.) (1 - 71-184)			

GOVERNMENT PRINTING OFFICE 16-37952-1

COPY IN FILE
6 JAN 9 1952 *[Signature]*

Mpls. 71-161

[redacted] advised [redacted] that the machines were shipped as follows:

- 1 machine shipped from Herman Paster's company by Hart Truck Line, December 13, 1950;
- 12 machines shipped by Dakota Transfer, St. Paul, Minnesota, December 29, 1950;
- 2 machines shipped by Dakota from St. Paul, Minnesota December 29, 1950;
- 2 shipped from Balle, Chicago, the manufacturer, December 29, 1950; transportation company unknown;
- 11 shipped by Dakota Transfer from St. Paul, December 30, 1950

[redacted] stated that this comprised the 28 flat tops which were stored in Stearns Garage. He stated he never took possession of these machines and did not have the serial numbers on them.

On the afternoon of October 25, 1951, after having given the above information, [redacted] returned to [redacted] office and told him he might not be correct in regard to the information that EMIL CHRISTIANSON took possession of the machines on January 5, 1951, and subsequently took them to his place west of Williston, North Dakota. [redacted] advised that [redacted] stated he was not very impressed by this last statement of [redacted] and doubted the veracity of it; however, he was in no position to actually know exactly what did happen to the 28 machines.

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[redacted] advised that the St. Paul Office of the Internal Revenue expects to check HERMAN PASTER regarding his income tax, and in doing so they might possibly be able to ascertain serial numbers of machines handled by PASTER. He suggested that [redacted], head of the Intelligence Division of the Internal Revenue, Post Office Building, St. Paul, Minnesota, be contacted in the event any particular information would be desired from the agents checking HERMAN PASTER on his income tax status.

[redacted] also said that their office is going to work [redacted] at Minot next, and if they obtain any information that may be of assistance in the interstate transportation of gambling devices category, they will notify the Office of the Federal Bureau of Investigation.

[redacted] also stated that [redacted] is in poor financial straits and might possibly talk if he were questioned regarding the particular transaction involved above.

Mpls. 71-161

AT MINNEAPOLIS, MINNESOTA

In connection with the case entitled, "SURVEY OF GAMBLING DEVICES ON WHICH \$150 TAX WAS PAID TO THE COLLECTOR OF INTERNAL REVENUE, FARGO, NORTH DAKOTA, INTERSTATE TRANSPORTATION OF GAMBLING DEVICES" there is a report of the writer dated November 9, 1951 which reflects that on October 16, 1951 [redacted] and

[redacted] Fargo, North Dakota, were interviewed by Special Agents [redacted] and [redacted] regarding "hollycrane" machines they have operated in twelve business places in Fargo, North Dakota. They also advised they have one machine at the Round-Up at Dilworth, Minnesota. They further stated these machines, with the exception of three machines which will be mentioned later, were all purchased from either the Mayflower Amusement Company or Leiberman's, both of Minneapolis, Minnesota, and that they were hauled by various over-the-road truck companies from those concerns to Fargo, North Dakota subsequent to August, 1951; that approximately \$10,000 is owed by Smith Brothers Novelty Company on these machines to the Northwestern National Bank, Minneapolis; that paper on two of the machines is carried by the Progress Finance Company, Minneapolis, which is the concern which finances purchases from the Mayflower Amusement Company. Both [redacted] and [redacted] advised that the majority of their machines are financed through the Northwestern National Bank at Minneapolis, Minnesota.

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Of the twelve machines operated in North Dakota, they advised that three were obtained from [redacted] when they took over his contract on October 1, 1951; that the serial numbers of these machines are 1400-3, 1485-30, and 1429-30; that one of these machines was shipped from Leiberman Brothers and two from Mayflower, but which machine was shipped by them to [redacted] is unknown to the [redacted].

The facts regarding the [redacted] and the [redacted] concerning their owning "hollycrane" machines, is being presented to the United States Attorney at Fargo, North Dakota in connection with the case entitled, SURVEY OF GAMBLING DEVICES, etc.

[redacted], of known reliability, advised that [redacted], residing in St. Paul, Minnesota, telephone [redacted], is a distributor of the "hollycrane", a gambling device. Informant advised that [redacted] has been attempting to induce an individual in New Orleans, Louisiana to ship several hollycrane machines from New Orleans, but that this individual in New Orleans owes [redacted] money on the machines. [redacted] was of the opinion that [redacted] is also contacting other

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Mpls. 71-161

individuals throughout the country who owe him money and is inducing them to return the machines to him. [] further stated that [] claims to have an opinion from the Attorney General of the State of North Dakota indicating that hollycrane machines are not illegal and not within the purview of the statute.

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AT ST. PAUL, MINNESOTA

In regard to possibly obtaining a photograph of WALTER JOHNSTON, Agent checked the records at the Minnesota Drivers License Division, 1279 University Avenue and ascertained that there is on file an application dated August 22, 1948 containing the following information:

Name:	WALTER DONALD JOHNSTON
Address:	1697 Bayard Avenue, St. Paul, Minnesota
Business Address:	2218 University Avenue, St. Paul, Minnesota
Race:	White
Born:	March 16, 1906
Height:	6'
Weight:	192
Hair:	Blond
Eyes:	Blue
Occupation:	Accountant
Drivers License #:	A-236503

Detective Lt. [], Identification Division, St. Paul Police Department, St. Paul, Minnesota, advised they had no record for JOHNSON.

The above description has been forwarded to the Identification Division of the Bureau with the request that the indices of the Identification Division be checked in an effort to locate a possible identification record, including photograph, of JOHNSON.

Inquiries are likewise being made at the Credit Bureau of St. Paul, Minnesota, in an effort to obtain information as to what schools JOHNSON attended, as well as what schools were attended by ALLEN NIEVA in order that inquiries can be made thereto, to possibly obtaining a photograph of JOHNSON and NIEVA.

Mpls. 71-161

In regard to locating a dark green Chevrolet panel truck or possibly a 1950 green panel delivery truck, also known as a sedan delivery truck, the writer, while driving by 2218 University Avenue, St. Paul, Minnesota, about 6:15 PM, November 19, 1951, observed a panel truck parked in front of the premises. This panel truck bore 1951 Minnesota license Y-122-211 and it appeared to be, in the darkness, of dark blue color rather than green.

Records of the Motor Vehicle Division, State Capitol, St. Paul, Minnesota, reflect that the above license is registered to the Taster Distributing Company, 2218 University Avenue, St. Paul, for a 1951 Chevrolet Sedan Delivery, Serial #21 JG13793.

[] of known reliability, advised that the Coin Machine Sales Company is located at 3804 Travis, Houston, Texas, and it is operated by []. [] advised that on May 3 and May 14, 1951, long distance telephone calls were made from KEystone 4423, which is the number of the Coin Machine Sales Company, to TASTER at NEstor 7901 in St. Paul, Minnesota.

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Mpls. 71-161

ADMINISTRATIVE PAGE

Copies of this report are being furnished to the Butte, Milwaukee and Springfield offices for information purposes inasmuch as active investigation is being conducted by the Milwaukee and Springfield Offices and it is noted in this report there appears information of interest to the Butte Office.

* * * *

LEADS

THE CHICAGO OFFICE

At Chicago, Illinois

Will give consideration to contacting [redacted] regarding two flat top slot machines which were shipped on December 29, 1950. Ascertain whether those two flat top slot machines are considered gambling devices and if so, obtain all information as to whom they were shipped and via what railroad or transportation company.

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THE NEW ORLEANS OFFICE

At New Orleans, Louisiana

Refer to New Orleans file 71-0 containing New Orleans letter to Minneapolis dated 10-30-51 entitled, " [redacted] INTERSTATE TRANSPORTATION OF GAMBLING DEVICES" which letter reflects that the information appearing in this report, as being furnished by [redacted], was received from Potential Criminal Informant [redacted] whose name must not be revealed. The New Orleans Office should give consideration, if at all possible, to obtaining sound and detailed information from [redacted] concerning his conversations or communications with HERMAN PASTER (not [redacted]) of the Mayflower Distributing Company and the Paster Distributing Company, 2218 University Avenue, St. Paul, Minnesota.

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The Bureau, Omaha Office, and the Attorney General are very much interested in instant investigation and if the above mentioned potential criminal informant can furnish such information, it possibly may be of interest or of evidencing value to instant case.

Mpls. 71-161

THE OMAHA OFFICE

At Omaha, Nebraska

Will note the various leads set out for the Chicago, Minneapolis and New Orleans Offices and if it is not deemed advisable that these leads be covered by those offices, the Omaha Office should advise the offices by teletype to discontinue such leads or to hold them in abeyance.

A copy of the report of Special Agent [redacted] dated 11/9/51 at Minneapolis, Minnesota, and another report, both in the case entitled, "SURVEY OF GAMBLING DEVICES ON WHICH \$150 TAX WAS PAID TO INTERNAL REVENUE, FARGO, NORTH DAKOTA, INTERSTATE TRANSPORTATION OF GAMBLING DEVICES" are being forwarded to the Omaha Office for information purposes inasmuch as that file contains information pertaining to the Smith Brothers Novelty Company; which information appears in this report and as noted in those two reports, the United States Attorney at Fargo, North Dakota is going to be contacted to determine what he desires to be done.

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Will review the information contained in this report to determine whether or not any other investigation should be conducted as a result of information appearing herein.

In following the investigation of instant case, will bear in mind, when discussing instant case with the United States Attorney at Des Moines, Iowa, that possibly the Paster Distributing Company and the Holly Sales Company should likewise be registered with the Attorney General of the United States.

Previous reports reflect that the Mayflower Company is the only company registered, although some of the reports make reference to the Holly Sales Company and to the Paster Distributing Company, all of which companies are located in the same building at 2213 University Avenue, St. Paul, Minnesota.

The Minneapolis Office will not discuss this phase with the Bureau unless specifically instructed to do so by the Omaha Office.

Mpls. 71-161

THE MINNEAPOLIS OFFICE

At Minot, North Dakota

Will locate and interview [redacted] and obtain from him detailed information regarding his purchasing 28 flat top slot machines from HERMAN PASTER. If possible, examine his records as to the exact dates the same were shipped etc. Also ascertain whether these machines are gambling devices within the purview of the law. Protect the original source, [redacted] and [redacted] also advise [redacted] to keep the inquiry in confidence. Also ascertain if he possesses any other information concerning HERMAN PASTER and associates.

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At St. Paul, Minnesota

Will interview [redacted], Intelligence Division, Bureau of Internal Revenue, New Post Office Building, who was investigating HERMAN PASTER under the income tax laws, to determine whether his files may contain any information of interest regarding gambling devices or whether he possesses any other information of interest to instant case.

At the Dakota Transfer Company, ascertain what their records reflect relative to shipments they have made for the Mayflower Distributing Company or the Paster Distributing Company and likewise bear in mind that possibly the driver, who was referred to in previous reports as having refused to drive any more, might be employed by this company.

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At the Hart Truck Line conduct similar inquiry along lines set forth in above lead.

Will continue to conduct inquiries in an effort to obtain photographs of WALTER DONALD JOHNSON and ALLEN NILVA and to obtain a later photograph of [redacted].

Will report results of other investigation which is presently being conducted.

Mpls. 71-161

INFORMANTS



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REFERENCE: Report of Special Agent [redacted] dated 11/8/51 at
Minneapolis, Minnesota.

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Report of Special Agent [redacted] dated 11/5/51 at
Omaha, Nebraska.

Bureau letter to Omaha dated 11/15/51.

FEDERAL BUREAU OF INVESTIGATION

FORM NO. 1
THIS CASE ORIGINATED AT OMAHA

FILE NO.

REPORT MADE AT ALBANY, NEW YORK	DATE WHEN MADE 12/5/51	PERIOD FOR WHICH MADE 11/23, 24, 26, 30/51	REPORT MADE BY [Redacted] jmk
TITLE [Redacted], Was., Et. Al.		CHARACTER OF CASE INTERSTATE TRANSPORTATION OF GAMBLING DEVICES	

SYNOPSIS OF FACTS:

5 Gambling Devices Seized
Rec. Value \$2,500.00

Vermont State Police advised two Canadians were transporting five gambling devices from Richmond, Vermont to Montreal, Canada. Machines stopped at U. S. Customs, Richford, Vermont. Machines were of the digger type with trade name of Hollycrane. Shipment of five machines seized upon authorization of USA, Burlington, Vermont. U. S. Deputy Marshal, St. Albans, Vermont, advised to take possession. Recovery value \$2,250.00.

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DETAILS:

STAKE
51 PH
SECTION
Jan 16 1951

This investigation is predicated upon a report from Trooper [Redacted] Vermont State Police, Burlington, Vermont, who advised that three Canadian individuals were transporting five gambling devices of the digger type in pick-up trucks from Richmond, Vermont to Montreal, Canada.

Trooper [Redacted] stated that the Vermont State Police stopped these two trucks at Jeffersonville, Vermont and upon inspecting the load determined that the machines did not violate any State Statute and accordingly permitted the Canadians to proceed. [Redacted] stated that it was his understanding that the machines would be transported through U. S. Customs at Richford, Vermont.

APPROVED AND FORWARDED: <i>Frank V. Battle</i>	SPECIAL AGENT IN CHARGE <i>2</i>	DO NOT WRITE IN THESE SPACES <i>71-3129-81</i> <i>DEC 7 1951</i>
COPIES OF THIS REPORT ② - Bureau 1 - USA, Burlington 3 - Chicago (1 USA) 2 - Omaha (71-206) 3 - Minneapolis (71-161) (1 USA) 2 - Albany (71-136)		<i>8/10</i> INDEXED - 136 RECORDED - 136

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JAN 17 1952

AL 71-136

AT RICHFORD, VERMONT

[REDACTED] Montreal,
Canada and [REDACTED], Quebec, were stopped by U. S. Customs Official at Richford, Vermont just as they were entering Canada.

United States Attorney JOSEPH MC NAMARA, Burlington, Vermont was contacted and he authorized seizure of any gambling devices being transported by the aforementioned individuals from Vermont into Canada. Accordingly, the U. S. Customs officials at Richford, Vermont were advised to hold the machines being transported by the subjects and further cautioned that no detention was placed against [REDACTED] or [REDACTED] personally, or their automobiles.

The writer and SA [REDACTED] interviewed [REDACTED] at the U. S. Customs House, Richford, Vermont. [REDACTED] advised that [REDACTED] did not speak English and supplied the following information:

In the Spring of 1951 he contacted the Paster Distributing Company, 2218 University Avenue, St. Paul, Minnesota relative to the purchase of machines known as Hollycranes. He stated that at that time he made a deposit of \$50.00 for ten machines which were to be shipped to him at a later period.

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In October, 1951 five machines were shipped by Railway Express to Richford, Vermont consigned to the Brunet Amusement Company. Later in October, five additional machines were shipped to Richford, Vermont consigned to the same company. These machines arrived in Richford on November 5, 1951. [REDACTED] stated that he did not know these machines had been shipped to Richford, Vermont until he was advised by an individual whom he believed to be a company agent for the Paster Distributing Company. He stated that he knew this individual only as [REDACTED] and stated that he thought his last name was [REDACTED]

He stated that [REDACTED] contacted him and told him that the machines were in Richford, Vermont and that the company wanted him to pick them up or he would lose his deposit. Accordingly, about the middle

AL 71-136

of November, [] and [] proceeded to Richmond, Vermont through Richford, Vermont in two General Motors pick-up trucks. He stated that when they arrived at Richmond, Vermont, they paid the c.o.d. freight charges to the Railway Express Agent and transported these machines back through the United States and Canadian Customs Offices at Richford, Vermont.

On November 23, 1951, he and [] again proceeded in two pick-up trucks to Richmond, Vermont where they paid for the five additional machines and then loaded them on to their trucks, intending to transport them to Richford, Vermont and then to Montreal, Quebec, Canada.

[] was questioned as to why these machines were shipped to Richmond, Vermont and the only answer which he would give was that this was the closest he could get them to Canada. When questioned as to why he took these machines through the Customs Station at Richford, Vermont he advised that he had a good friend in the Customs Office on the Canadian side of the line and that if he took these machines through Customs at this point his friend would receive credit for it.

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[] stated that he operated an Amusement Company in Montreal, Quebec, Canada, that he had fairly recently gone into business and accordingly was not yet listed in the telephone book.

[] stated that when he arrived in Richmond, Vermont he presented a \$500.00 draft to the Richmond Bank which the banker refused to cash. He stated that he then contacted the individual known to him as [] and that [] gave him \$1500.00 for the purchase of these machines. [] stated that he had been contacted three or four times by [] but knew very little about him. He described [] as being 35 to 40 years old; wears a mustache; has dark hair and drives a Buick automobile. He stated that on all of the previous occasions that [] had contacted him it was in Montreal, Quebec, Canada.

[] advised that he would not have transported the instant machines had he known them to be illegal. He stated that he was not in

AL 71-136

the slot machine business in Montreal, Quebec, Canada and that he had never been contacted by anyone regarding slot machines. [redacted] stated that he could be contacted at his place of business in Montreal, Quebec, Canada and produced a freight bill which indicated that the consignor of the five machines was the ~~Holly Sales Company~~, 2218 University Avenue, St. Paul, Minnesota. These machines were consigned to the ~~Prunet Amusement Company~~, Richmond, Vermont and were routed over the Chicago-Burlington and Quincy Railroad to Chicago, from there over the Grand Trunk Railroad then to the Canadian National Railroad and finally to the Central Vermont Railroad.

The freight bill indicated that these machines were shipped from St. Paul, Minnesota on October 22, 1951; waybill #550487. These machines were shipped as five cartons of coin operated amusement games. The weight was listed as 400 pounds per carton and the freight charges were \$77.52.

[redacted] was advised of the provisions of the Interstate Transportation of Gambling Device Statute and informed that his machines were being seized upon authorization of the United States Attorney at Burlington, Vermont. [redacted] was told that he would be notified of the final disposition of these machines and that if the manufacturers, sellers or shippers of these machines were all registered with the Attorney General, then he could, in all probability, reclaim his machines.

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Three of the machines were transported in one truck in the original cartons. The shipping cartons and serial numbers indicated that these machines were manufactured under the name Hollycrane by the Como Manufacturing Corporation, Chicago, Illinois. The shipping cases indicated that these machines were shipped from the Como Concern to the Faster Distributing Company, 2218 University Avenue, St. Paul, Minnesota and that the machines were then shipped to [redacted] by the Holly Sales Company, using the same address in St. Paul.

Two of the machines were in the second pick-up truck and were not in their original cases in view of the fact that the glass cases on them had been broken during railroad shipment. These machines are described as follows:

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They are approximately 4' long; 3' to 4' high and about 2' wide. They are of the console model and require a ten cent piece to operate them. Inside the machine is a long three pronged claw on a flexible cable. The majority of the machine is encased in glass. On the bottom of the machine is a floor or tray where merchandise is ordinarily placed. By the operation of two push-buttons on the outside of the machine this claw can be directed to the desired merchandise. If the claw picked up any merchandise it was then directed to a delivery chute and the merchandise returned to the player, however, the delivery chute on the five instant machines was securely locked and [redacted] stated that the key remained with the manufacturer.

These machines had been newly manufactured and [redacted] stated that they were valued at \$400.00 a piece. The machines were unloaded at the U. S. Customs House at Richford, Vermont and temporarily stored in one of the garages attached to the Customs House.

United States Deputy Marshal [redacted] was advised that the seizure of these machines and stated that he would take possession of them and arrange for their safe-keeping.

[redacted] further advised that in the past few months he has been contacted on several occasions by an individual known as [redacted] from Buffalo, New York. He stated that [redacted] had never contacted him regarding slot machines, but that he had contacted him regarding the instant machines and other types of amusement devices.

A teletype was directed to the Washington Field Office and the Chicago Field Office to ascertain the manufacturer, ~~Como Manufacturing Company and the Paster Distributing Company and Holly Sales Company of St. Paul, Minnesota~~, were registered with the Attorney General.

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On November 27, 1951 the Chicago Field Office advised that the Como Manufacturing Company was not registered with the United States Attorney.

[redacted], Sales Manager of the Como Manufacturing Company, had previously informed the Chicago Office that the Como Manufacturing Company has not registered with the Attorney General and has not reported

AL 71-136

sales of Hollycrane machines with closed prized chutes, on advice of the Como Manufacturing Company attorneys stating that these attorneys did not consider the Hollycrane a gambling device under Public Law 906.

On November 26, 1951 the Washington Field Office advised by teletype that the Faster Distributing Company and the Holly Sales Company St. Paul, Minnesota had not registered with the Attorney General.

AT RICHMOND, VERMONT

[redacted] Freight Agent, Central Vermont Railway, advised that [redacted] and [redacted] had transported 12 Hollycrane machines since early Fall from Richmond, Vermont. He advised that the first shipment consisted of 2 machines which were sent to Richmond, Vermont from Buffalo, New York. He stated that sometime in October, 5 additional machines came into the station by Railway Express consigned to the Brunet Amusement Company, Richmond, Vermont.

[redacted] stated that he immediately wrote the Railway Express Agency in St. Paul and informed them that no such company was doing business in Richmond, Vermont and requested instructions as to the disposition of these machines. He advised that several days later he received a letter from the Holly Sales Company, St. Paul, Minnesota, directing that these machines be held and that they would eventually be called for by the consignee. He stated that the letter from the Holly Sales Company indicated that the machines had been shipped to Richmond, Vermont through error and that they were intended to be shipped to Richford, Vermont. He stated that his records reflected that an individual by the name of [redacted] signed all correspondence from the Holly Sales Company, in St. Paul, Minnesota.

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[redacted] advised that on November 5, 1951 a further shipment of five machines arrived at his office having been shipped by Railroad Freight. He stated that these machines remained in Richmond until about the middle of November when [redacted] and [redacted] called for five of them and paid him a total of \$2,460.00 for five of the machines. He stated that on November 23, 1951 [redacted] and [redacted] returned to Richmond, Vermont and after paying for the machines, loaded them on their two pick-up trucks

AL 71-136

at approximately 4:00 PM and left Richmond, Vermont heading North.

[redacted] Richmond, Vermont Branch of the Burlington Trust Company, advised that he first saw [redacted] and [redacted] about the middle of November when they came into his Bank and made a payment of \$2,460.00 for five of the Hollycrane machines. He stated that this money was paid over in compliance with c.o.d. and shipping charges on a Railway Express shipment from the Holly Sales Company, St. Paul, Minnesota.

He advised that he next saw these men on November 23, 1951 when they came into his Bank and requested that he cash a \$500.00 draft drawn on the Chase National Bank in New York City. He advised that he refused to honor this check and accordingly, [redacted] and [redacted] both put up \$2,250.00 in American currency to honor a sight draft attached to an order bill of lading for the final five machines shipped by the Holly Sales Company.

AT BURLINGTON, VERMONT

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United States Attorney JOSEPH MC NAMARA, was consulted regarding the disposition of the instant machines. He stated that he had been contacted by an individual by the name of [redacted] who apparently was an Attorney from Montreal, Quebec, Canada and who represented [redacted] and [redacted]. He advised that [redacted] attempted to persuade him to release the machines in order that they could be transported into Canada without further difficulty.

He stated that he informed [redacted] that he was going to retain possession of the machines and request the Department of Justice to furnish him with an opinion relative to whether or not the Hollycrane machine is a gambling device.

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AL 71-136

ADMINISTRATIVE PAGE

Leads

ALBANY OFFICE

AT BURLINGTON, VERMONT

Will attempt to ascertain the identity of the individual known
as [redacted]

Will maintain contact with the U. S. Attorney, Burlington, Vermont
relative to the eventual disposition of the five instant machines.

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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 27 1951

TELETYPE

Mr. Tolson _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Belmont _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Harbo _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Laughlin _____
Mr. Mohr _____
Tele. Room _____
Mr. Nease _____
Miss Grandy _____

Re

6-~~Leggett~~

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GJR-6
GPAE

FBI, MINNEAPOLIS 11-27-4/51

AQQAEG AM

DIRECTOR, FBI AND SAC, ALBANY

NU R G E N T

[REDACTED], WAS., ET AL, ITGD. RE ALBANY TEL NOVEMBER TWENTYFOUR LAST ENTITLED "PASTER DISTRIBUTING CO, ST. PAUL, MINN., ITGD". THIS COMPANY BEING INVESTIGATED IN ABOVE [REDACTED] CASE OF WHICH OMAHA IS ORIGIN. OMAHA EXPEDITE REPORT. DESIGNATE THREE COPIES OMAHA, ONE USA DES MOINES, THREE MINNEAPOLIS, ONE USA ST. PAUL, ONE TO CHICAGO, SPRINGFIELD AND MILWAUKEE FOR INFORMATION. ALBANY EXPEDITE INVESTIGATION AND REPORT.

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OK FBI AL ECD

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63 DEC 13 1951
J371

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

~~NOV 27 1951~~

TELETYPE

FBI - MINNEAPOLIS 11-27-51

4-07 PM

PAE

DIRECTOR, FBI AND SAC, OMAHA

U R G E N T

[REDACTED], WAS., ET AL, ITGD. C. U. LANDRUM, USA, ST. PAUL ADVISED TODAY THAT AS RESULT OF INFORMATION APPEARING IN NUMEROUS G.I.R. REPORTS HE HAS BEEN RECEIVING THAT HE IS VERY ANXIOUS TO AUTHORIZE PROSECUTION IN MINNESOTA. HE WAS ADVISED THAT USA, DES MOINES, RECENTLY INDICATED HIS DESIRE TO PROSECUTE AND THAT HE WAS GOING TO CLEAR THROUGH THE ATTORNEY GENERAL. OMAHA REFER MINNEAPOLIS LETTER NOVEMBER TWENTYFOURTH TRANSMITTING COPY TELETYPE FROM ALBANY ENTITLED PASTER DISTRIBUTING CO., ST. PAUL, MINN., ITGD, INDICATING POSSIBLE VIOLATION HERE. LANDRUM WAS ADVISED THAT THIS OFFICE WOULD HAVE OMAHA OFFICE REQUEST USA, DES MOINES, TO SEND LETTER DIRECT TO LANDRUM OUTLINING HIS CONTEMPLATED ACTION. IF POSSIBLE, OMAHA SHOULD HAVE USA, DES MOINES, SEND COPY HIS LETTER TO LANDRUM TO FBI OFFICES, OMAHA AND MINNEAPOLIS, FOR INFO. OMAHA EXPEDITE

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71-3129 - 83
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5-13 PM OK FBI WA PFE 3371

FEDERAL BUREAU OF INVESTIGATION

RP

FORM NO. 1
THIS CASE ORIGINATED AT OMAHA

FILE NO.

REPORT MADE AT OMAHA, NEBRASKA	DATE WHEN MADE 12/6/51	PERIOD FOR WHICH MADE 10/12, 15, 26, 27, 31; 11/2, 6, 7, 8, 9, 23, 26, 51	REPORT MADE BY MCM
TITLE wa., wa., ALBERT H. GARDNER, was., Abraham Gardner, Al Gardner; HERMAN PASTER	CHARACTER OF CASE INTERSTATE TRANSPORTATION OF GAMBLING DEVICES		

SYNOPSIS OF FACTS:

Investigation at various service and fraternal clubs, North Central Iowa, reflect Mayflower Distributing Company purchased numerous slot machines. Only two transactions known to have taken place subsequent to 1/2/51, however. These included purchase of five machines from VFW Club, Charles City, Iowa, 2/20/51 and five machines from Elks Club, Iowa Falls, Iowa, 3/1/51. Subject [redacted] believed to have handled both purchases and subsequent transportation.

[redacted] Osage, Iowa, and [redacted] Iowa Falls, Iowa, acted as "front men" for PASTER and [redacted] in Northern Iowa. Jerry's Coin Repair, St. Paul, Minnesota, purchased fourteen slot machines from Elks Club, Charles City, Iowa, 12/26/50.

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DETAILS:

AT MASON CITY, IOWA

The following investigation was conducted by the writer:

[redacted] of the Iowa State Employment Service, officer for the Worden Clausen American Legion Post, advised that sometime during December 1950 he and the [redacted], were approached by officials of the AMVET organization at Mason City concerning the sale of all of the slot machines

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McGinnis
12-19-51
JL

COPIES DESTROYED

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APPROVED AND FORWARDED: <i>J. Dalton</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES 71-3129-84	SE 27
COPIES OF THIS REPORT		RECORDED - 61	
3 Bureau (71-3129) 1 USA, Des Moines 1 USA, Sioux City 3 Minneapolis (71-161) (1 USA St. Paul) 3 Chicago (71-514) 1 Omaha (71-206)		DEC 10 1951 11	INDEXED - 61 EX
COPY IN FILE			

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50 JAN 7 1952

OM 71-206

in possession of the American Legion Club at that time. As [redacted] recalled he was informed that the Federal law of barring interstate transportation of gambling devices would soon go into effect and for that reason the AMVETS were "unloading" their machines. When American Legion officials were informed that approximately \$25.00 would be paid for each machine they turned the offer down. [redacted] stated that all of the American Legion slots are presently stored in Mason City and that they have no intentions of selling them to anyone. [redacted] further revealed that the Knights of Columbus Club is in the same building as the American Legion and to his knowledge this club has not sold their machines either.

[redacted] AMVETS Club, now connected with International Harvester Company at Mason City, stated that he personally handled the transaction of the sale of the slot machines belonging to the AMVETS. He commented that he had been approached around November 1950 by [redacted]

[redacted], Osage, Iowa, who is a coin machine operator, concerning the fact that a St. Paul outfit was making plans to buy up as many slot machines as they could. [redacted] stated that an individual from St. Paul would personally contact [redacted] in regard to the sale. On or about December 29, 1951 an individual closely fitting the description of Subject [redacted] came to the AMVETS and informed [redacted] that he was a representative of the Mayflower Distributing Company of St. Paul, and was interested in buying the slot machines owned by the AMVETS. [redacted] stated he previously contacted the Board of the AMVETS and they told him if he was approached he would have sole authority on the sale of the machines. [redacted] related that pursuant to this authorization he informed the St. Paul representative that he would sell nine Mills machines if he could get the amount expected by the Board from the machines. After some dickering [redacted] and the St. Paul man came to terms on \$520.00 for the Mills machines. [redacted] stated that he could not remember how this was broken down into individual prices but believed it was an overall estimate on the machines.

Around 1:30 p.m. on December 29, 1951 the St. Paul man, whom [redacted] believed to be [redacted], came to the AMVETS with a young boy, possibly 15 or 16 years of age, and loaded the nine machines into what [redacted] believed to be a black panel Chevrolet truck. [redacted] stated that he assisted in loading the machines and as he remembers there were no other machines in the truck at the time the AMVET slots were purchased. He recalled

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OM 71-206

that the driver of the truck had several blankets which he threw over the machines as they were loaded. This person also mentioned he had other machines to pick up and it was noted particularly that these machines were loaded as far back as possible.

[redacted] described the nine Mills machines as being three twenty-five cent machines, three ten cent machines and three five cent machines. One of the ten cent machines was of the old variety while two of the five cent slots were rather antiquated. He also described the machines as one being a ten cent bonus machine and two of the twenty-five cent slots were termed as bonus machines. He recalled that there was one ten cent "Watermelon" Mills slot machine and one twenty-five cent "Watermelon" slot in those that were sold.

A photo of [redacted] taken in 1939 was shown to [redacted] and he stated that this did not look too much like the individual who purchased the AMVET gambling devices. [redacted] stated that he did not know of any other organization in Mason City who sold their machines to the St. Paul firm, but recalled that he had personal contact with the American Legion earlier to determine whether they desired to sell the machines they had. It was explained by [redacted] that all nine of the machines sold to the St. Paul firm were originally purchased by the American Legion Club in Mason City, who formerly had full control of the AMVETS Club. This club later was turned over to an individual Board of AMVETS and according to [redacted] there would be no records maintained by that organization to show the original purchase of the machines.

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[redacted] of the Elks Club, and employee at Curries' Hardware Company, stated that some unidentified party attempted to purchase the slot machines owned by that club some time during the Fall of 1950. He stated that \$25.00 had been offered for each of their machines and the Board decided that they would rather destroy the machines than put them in the hands of some syndicate, particularly for the amount that was offered.

[redacted] Moose Club, advised that his club got rid of five slot machines around the Spring of 1950 after it was assumed the gambling drive promoted by Iowa Attorney General ROBERT L. LARSON was going to be enforced. He stated that he believed that the Moose Club was the only organization getting rid of their slot machines that early, and that he recalls the machines were purchased by some one out of either Chicago, Illinois, or St. Paul, Minnesota. [redacted]

OM 71-206

stated that one man, whom he described as middle age, short and stocky, personally handled the transaction and gave [redacted] \$25.00 for each of the five machines. He remembered that the individual was assisted by some other person, exact description not known, in carrying the machines from the club to some kind of a truck parked in back of the Moose Club. [redacted] said he did not see the truck involved in the transportation.

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[redacted], VFW Post, advised that to his knowledge the VFW in Mason City still had their slot machines and they were stored in some storage place in the city. He stated that [redacted] [redacted], Mason City, and present [redacted] could probably verify this information. Efforts to date to locate [redacted] have been unsuccessful and he will be interviewed at a later date.

On October 13, 1951 Confidential Informant [redacted], of unknown reliability, advised the writer that he might be in a position to develop considerable information in regard to the operations of Subjects [redacted] and PASTER and in connection with the interstate transportation of slot machines. [redacted], who is well acquainted with both [redacted] and PASTER, said that he personally would like to see a "racketeer" like PASTER convicted and put out of business; that individuals such as PASTER have made it difficult for small time coin vending machine operators to function. [redacted] added that he knows personally that PASTER is at the present time quite worried over the Bureau's investigation of Interstate Transportation of Gambling Devices violations, particularly those allegedly involving the Paster interests. According to [redacted] one [redacted], Osage, Iowa, coin machine operator, has fronted for [redacted] in Northern Iowa in an effort to secure slot machines for HERMAN PASTER. In connection with storage of slot machines in Iowa or elsewhere prior to interstate transportation, the Informant stated that he would endeavor to discreetly ascertain such a storage place. [redacted] remarked that he had heard that PASTER had intended to dispose of the majority of the machines he had purchased through outlets in South America. It was his opinion that all machines obtained outside of St. Paul would eventually be taken from that city and sent to either of the coasts for transportation to South America.

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AT CLEAR LAKE, IOWA

[redacted], All-Vets Club and active member of the American Legion Post at Clear Lake, stated that all slot machines owned by the

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American Legion in Clear Lake had been operated in the All-Vets Club. [redacted] stated that the Board had agreed to sell these machines if they could find an outlet and had given [redacted] authority to do so. According to [redacted] around March 1951 [redacted] had heard the VFW at Clear Lake had disposed of their slot machines to the HERMAN PASTER interests in St. Paul, Minnesota. Around December 1950 [redacted] personally made a trip to St. Paul and went to the Paster Company and asked whether they desired to buy the machines presently in the possession of the All-Vets Club. [redacted] talked to some subordinate of the Paster firm, possibly the Mayflower Distributing Company, and this individual said it would be necessary for him to inquire from HERMAN PASTER whether the latter desired to buy the machines. This person telephoned HERMAN PASTER who was at that time in Milwaukee, Wisconsin and PASTER informed his employee that under no conditions should he buy machines from the Clear Lake Club. PASTER reportedly appeared hostile towards the employee making the call, stating that he should know that the Federal law had been passed making it a violation to transport gambling devices across the state line. [redacted] concluded by stating that all of the slot machines owned by the All-Vets and American Legion were presently stored somewhere in Clear Lake and that efforts were being made by the post to sell them to individuals who desired them for their rumpus rooms in their homes.

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[redacted], both officials of the VFW, stated that a St. Paul interest had purchased six machines from the VFW either in November or December 1950. At that time the transaction was handled by [redacted]. According to [redacted] and [redacted] has since entered the Army and to their knowledge is presently overseas. They added that in January 1951 when they began to check his various records concerning financial transactions of the VFW Club they had found that some records maintained by [redacted] had been destroyed.

AT ELDORA, IOWA

[redacted] American Legion Club, advised that he believed it was around the Spring of 1951 he was approached by [redacted] [redacted], Iowa Falls, Iowa, concerning the selling of the club's slot machines. [redacted] who was assistant at that time to [redacted] [redacted] in operating various coin machines in Northern, Iowa, told [redacted] that a firm out of St. Paul, Minnesota, was interested in buying up all of the slot machines that they could. [redacted] stated

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that he and [redacted] personally were not buying the machines or making specific arrangements for the sale. He stated that some individual from St. Paul would contact [redacted] at a later date. As [redacted] recalled he also received a telephone call from some outfit in the Twin Cities stating that they would contact him later about the purchase of the machines. He stated that from the prices quoted him he knew at that time he was not interested and indicated such. [redacted] said that the slot machines owned by the American Legion Club are presently stored, and the club would be willing to assist the FBI in notifying the Omaha Office in the event he was approached again about selling the machines. He volunteered that the club would go through the process of selling these machines if the Bureau so-desired. According to [redacted] there was only one other club in Eldora which operated slot machines prior to the clamp down by Iowa's Attorney General LARSON. He said this was the VFW Club, whose Manager was [redacted]. [redacted] stated that he had personally been in contact with [redacted] in recent weeks and that club still has their slot machines; that the VFW had never been approached by anyone concerning the sale of the machines. [redacted] also revealed that a good friend of his, [redacted], former member of the American Legion Club, Iowa Falls, Iowa, had indicated to him that the Legion Post in Iowa Falls had sold their machines to the Minneapolis firm referred to by [redacted]. According to [redacted] [redacted] is presently residing at Eagle Grove, Iowa.

AT IOWA FALLS, IOWA

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The following investigation was conducted by SA [redacted] and the writer:

[redacted], who is [redacted]
[redacted] advised on October 27, 1951 that he was formerly an assistant to [redacted] at Osage, Iowa, who had control of the majority of the coin operated vending machines in Northern Iowa. According to [redacted] was recently involved in investigation by the Internal Revenue concerning his income tax and as a result he had all of his equipment transferred over to [redacted] under a sales contract agreement. [redacted] admitted that this was rather an unusual procedure since he had not invested too much money in the new arrangement. As a matter of fact he said that if [redacted] would happen to die, according to the present set-up, [redacted] would have control of several thousand dollars worth of equipment which is rightfully [redacted]. He admitted that [redacted] dictates the operation of

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the equipment which goes under the name of the [redacted] Vending Company.

[redacted] stated that during the latter part of 1950 and early part of 1951 Subject [redacted] and HERMAN PASTER had contacted [redacted] about contacting all service and fraternal clubs where [redacted] had vending machines, concerning the sale of their slot machines. Since [redacted] was a subordinate of [redacted] the latter instructed him to also advise club managers about the possible disposition and sale of their machines.

[redacted] stated that he could not remember how many clubs he had informed concerning this matter but he particularly remembered that he had talked to all club managers in Iowa Falls, Eldora, Webster City, and Hampton, Iowa. He stated that there was no agreement for him to personally obtain any cash from any of the sales of the machines but he said he had reason to believe that [redacted] had worked out some kind of arrangement with PASTER whereby [redacted] would receive a commission.

[redacted] added he was a member of the Elks Club in Iowa Falls and had personally assisted [redacted] to load five or six slot machines owned by the Elks Club on or about March 1, 1951. As he recalled he was contacted by [redacted] by phone on March 1, 1951 at which time

[redacted] stated that he was in Iowa Falls to pick up the slot machines which he had already paid for. [redacted] went to the Elks Club and met [redacted] there, at which time they both were informed that five or six slot machines owned by the Elks Club were stored at the Iowa Falls Warehouse. [redacted] drove with [redacted] in what [redacted] believed to be a late model dark green Chevrolet panel truck which he believed to have Minnesota license. Here [redacted] helped [redacted] load these slot machines into the truck. As [redacted] recalled, all the machines were already crated in wooden containers. There were no other machines in the truck at that time and as he recalled there would be no room for other machines after the five or six were loaded.

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It was further ascertained from [redacted] that the machines obtained on March 1, 1951, were apparently some of a group of machines purchased by [redacted] for the Mayflower Distributing Company around December 1950. He commented that he recalled vividly [redacted] being in town in December 1950 and meeting with officers of the various service clubs of Iowa Falls and obtaining machines at that time. As he recalled [redacted] had not gotten around to picking up the last five or six machines purchased from the Elks Club until about March 1, 1951. [redacted] also commented that outside of Iowa Falls he did not know specifically of any clubs selling to the Paster interests. He said he did know that the clubs in Eldora and Hampton, Iowa, did not sell their machines but he had heard a rumor to the effect [redacted] did purchase some in Webster City, Iowa.

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[redacted] advised that he would speculate that the various machines purchased by [redacted] had possibly been stored at a point in Iowa on a temporary basis. He said he could not imagine [redacted] making a number of trips from Iowa to St. Paul in a panel truck. He stated that it would be his opinion that a semi-tractor-trailer was used to haul them from Iowa to St. Paul. He categorically denied that he knew the present storage places of the slot machines or how they were transported out of state. [redacted] admitted that he would be very reluctant to in any way involve HERMAN PASTER in any violation of the Federal laws since PASTER controlled the operations of all coin vending operators throughout Iowa and other states. He said that if PASTER ever felt that he was being "put in the middle" by any coin vending operator it would not be too long before this person would be unable to obtain juke boxes, pin ball machines or any other coin vending gadget. He said he felt PASTER was too astute to personally be on record as violating any of the Federal laws and it was his opinion that Subject [redacted] would be "the fall guy" for HERMAN PASTER in the event a charge of interstate transportation of gambling devices is developed against the Mayflower Distributing Company.

[redacted] indicated that he did not desire to give a signed statement in regard to his assistance in loading the slot machines at Iowa Falls with the Subject [redacted], claiming that it was strictly a fraternal gesture on his part since he was a member of the Elks Club and desired to assist that organization in disposing of the machines.

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The following investigation was conducted by SA [redacted]:

[redacted] Elks Club, Post 1674, advised that in December 1950 he was telephonically contacted by an individual in Minnesota who offered to buy the club's slot machines. [redacted] informed this person, whom he believed to be [redacted], that he would have to talk it over with the club committee and he would notify the Minnesota individual.

[redacted] was given a telephone number in Minneapolis to call in the event the committee authorized the sale of the machines. According to [redacted], he, on the following day, telephoned the number which was given to him and found it to be a garage in Minneapolis. When he started to talk about slot machines he was told he apparently had the wrong number. [redacted] was again contacted by phone from either Minneapolis or St. Paul and it was agreed the club would sell the machines. In a day or two after the telephone call an individual,

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Legion Club, Post 90, and [redacted] Algona Country Club, advised that they have never been contacted by any person who offered to purchase slot machines. They stated they would cooperate with the FBI in this matter and that in the event they are contacted by individuals wishing to purchase slot machines, they would immediately contact an Agent of this office.

AT FOREST CITY, IOWA

[redacted] VFW Club, Forest City, Iowa, advised that his club rented five slot machines from [redacted], coin machine operator, Osage, Iowa. He stated that in October 1950, when Attorney General L RSON cracked down on slot machines in Iowa, these machines were returned to [redacted] and since that time he has had no contact with [redacted]. He further stated he was never contacted by any individual who was inquiring whether or not the club had slot machines.

AT HAMPTON, IOWA

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[redacted] VFW Club, Post 5227, Hampton, Iowa, advised his club had five slot machines. He stated when the heat was put on the club's operating slot machines, the club ceased to operate them and the machines were hidden. He said that after a few months had passed and it looked as if the heat would never come off on the operation of slots, trustees of the VFW Club voted that the club should get rid of the machines. In accordance with their decision, five slot machines were taken out to the city dump and destroyed. [redacted] said that he has never been approached by anybody who offered to buy the slot machines. He stated that in the event he should be contacted he would notify an Agent of this office.

- P E N D I N G -

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ADMINISTRATIVE PAGE

INFORMANTS

[Redacted]

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LEADS

THE CHICAGO DIVISION

AT CHICAGO, ILLINOIS

Will, through the O. D. Jennings Company, 4307-39 West Lake Street, endeavor to determine the exact description, particularly serial numbers of the five Jennings slot machines purchased by the VFW Club, Charles City, Iowa, on August 12, 1947. (This confirms letter from Omaha to Chicago dated November 16, 1951.)

Will, at the Mills Company, endeavor to obtain the descriptions of all slot machines, possibly eleven, purchased from that company by the Elks Club, Iowa Falls, Iowa, around 1948 or 1949.

THE MINNEAPOLIS DIVISION

AT ST. PAUL, MINNESOTA

Will endeavor to determine whether [redacted] has any direct connections with the Subjects in this case.

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who [redacted] thinks was known as [redacted] and who appears to fit the description of Subject [redacted] came to the club and looked over the machines. It was agreed that [redacted] would purchase six of the club's eleven machines for \$200.00. This individual paid [redacted] in cash and eventually loaded the six machines into a panel truck, color and description not known to [redacted].

It was further ascertained from [redacted] on March 1, 1951 [redacted] contacted him at the Elks Club in person and offered to buy the club's five remaining machines for \$190.00. These were the machines that were stored at the warehouse in Iowa Falls, and [redacted] related after receipt of the \$190.00 in cash, [redacted] left the club and apparently picked up the machines. [redacted] said he did not recall [redacted] being in the club at the time nor did he know that [redacted] helped load the machines.

[redacted] Secretary, Iowa Falls Elks Club, advised that his records reflect that six slot machines were sold for \$200.00 in cash on December 29, 1951 and that five slots were sold for \$195.00 on March 1, 1951. He said the club had owned the slot machines for over two years prior to their sale, but a search of the records failed to reflect the date they were purchased or from whom they were purchased. He added that most of the machines were of the Mills type and included a variety of five cent, ten cent, and twenty-five cent machines.

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[redacted], Moose Club, Iowa Falls, Iowa, advised that he was contacted by an individual many months ago, and he thinks that this was in December 1950, who offered to buy the club's six slot machines. He stated that this individual told him that he would give him a square deal on the purchase of the machines and further informed him that he had purchased the slot machines from the American Legion Club and Elks Club in Iowa Falls. After looking over the slot machines, he paid [redacted] \$375.00 for them. [redacted] described the individual as being in his early thirties, who had the appearance of being Jewish. He said that the slot machines were loaded into a green Chevrolet panel truck, bearing Minnesota plates. According to [redacted], the purchaser indicated that his boss was located in Minnesota, and that he was going to deliver the machines to him in Minnesota. [redacted] advised that the slot machines owned by his club were purchased some time in 1949 and that he would search his records in an attempt to ascertain if the sale of the slot machines is recorded in the books.

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AT CHARLES CITY, IOWA

The following investigation was conducted by the writer:

Confidential Informant [redacted] of known reliability, advised that he had discreetly ascertained that the Elks Club had sold fourteen slot machines to ~~Jerry's Coin Repair~~, 410 North Syndicate Street, St. Paul, Minnesota, around December 26, 1950. [redacted] personally saw a bill of lading for these machines which reflected they were shipped by the McCay Truck Lines from Charles City, Iowa, to St. Paul, Minnesota, on December 26, 1950. [redacted] learned that the operator of Jerry's Coin Repair of St. Paul is one [redacted]. The Elks reportedly sold eight old machines which were believed to be of the Mills make for \$65.00 each and six new machines which were of the Mills make for \$125.00 each.

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The following investigation was conducted by SA [redacted]

[redacted] Moose Lodge No. 1011, advised that in late December 1950 he received a telephone call from an unidentified man who said he was with the Mayflower Novelty Company in Minneapolis, Minnesota. This individual from the Mayflower Novelty Company asked him if he wanted to dispose of the club's slot machines. [redacted] replied that he would sell the slot machines. The unidentified man informed him that he would have a representative come to see him the next day but he did not identify the man who was going to contact [redacted]. It was agreed that the Mayflower Novelty Company would pay [redacted] \$800.00 for the club's thirteen slot machines. At the end of the following day, when [redacted] had not been contacted as pre-arranged, he telephoned the Mayflower Novelty Company in Minneapolis and spoke to the same unidentified individual he had spoken to the previous day. This individual said his contact man had been sick but that he would send a man to Charles City the next day.

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According to [redacted] a man about 35 years old, who appeared to be Jewish, came to the club the following day after the above telephone call. This man examined the club's slot machines and informed [redacted] that he would only pay \$700 for the club's thirteen machines. He wrote out a personal check in the amount of \$700.00 which [redacted] accepted. [redacted] said that he loaded the slot machines in a small

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panel truck, the color and license number which he could not recall, because the purchaser was partially lame and unable to lift the machines.

[redacted] stated that he could recall that the purchaser appeared to be about 35 years of age, short and looked as if he might be Jewish. He said he does not recall that the man was lame but remembers that this person said he was lame and could not lift the machines.

[redacted] agreed to search the club's records to locate the sale of the slot machines, and was successful in locating an entry in the book in the amount of \$700.00 for the sale of furniture under the date of December 29, 1950. The records, according to [redacted], reflected that the check, in the amount of \$700.00 was deposited in the Citizens National Bank, Charles City, Iowa, on January 2, 1951. [redacted] further stated that the club had purchased the slot machines over two years ago and he searched his records for the invoices of the purchase of the slot machines but was unsuccessful in locating same. He recalled, however, that most of the machines were of the Mills type, which were purchased in Chicago, Illinois, and included five cent, ten cent and twenty-five cent slots.

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[redacted] Citizens National Bank, was contacted by the writer to obtain a photographic copy of a check in the amount of \$700.00 which was cashed by [redacted] on January 2, 1951. [redacted] checked his files and found that the negatives taken of checks for January 2, 1951 had been overexposed. He advised that he had no other record of this check in his bank.

[redacted] Knights of Columbus, advised that his club had five Mills slot machines. He stated that he was contacted many months ago and thinks it was in the latter part of December 1950, by an individual who appeared to be about 40 years of age. He said that this man telephoned him in the late afternoon and informed him that he was interested in buying slot machines and arranged for a meeting with him later that evening. [redacted] stated that he agreed to sell the five slot machines for \$200.00 and received cash for that amount. He further stated he recalled that both he and the purchaser loaded the slot machines into a panel truck bearing Minnesota license plates. He said he also recalled that the purchaser was accompanied by a young boy, but could give no description of this boy. He reflected that he does not think a record of this transaction was made in the club's books and stated he would check the records to make certain of this. He said he would also search the records in an effort to locate the invoices for the purchase of these machines.

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[redacted] Legion Post 174, advised that his club owned six slot machines. He stated that in September 1950 the Sheriff of Floyd County, Iowa, raided the American Legion Club and confiscated all the slot machines. He further stated that to the best of his knowledge he has not been contacted by any individual concerning the purchase of the slot machines. He was also shown a photograph of [redacted] thereupon he said he had never seen this individual.

[redacted] VFW Club, Post 3914, advised that his club had five Jennings slot machines consisting of two ten cent, two five cent and one twenty-five cent machines. He stated that these machines were sold and that [redacted] of the club, handled this transaction. [redacted] searched the records of the club and was unsuccessful in locating an entry which listed that the five slot machines were originally purchased from the O. D. Jennings Company, 4307-29 West Lake Street, Chicago, Illinois, on August 12, 1947. He also stated he had no record of serial numbers of these machines.

[redacted] was unavailable for interview at this time and was also unavailable when recontacted by the writer.

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[redacted], whom recontacted by the writer, advised that he was in contact with [redacted] since last contacted by the writer, and ascertained from [redacted] that he, [redacted], was contacted by [redacted], who purchased the club's machines for \$150.00 on February 20, 1951. He stated he also ascertained from [redacted] that the machines were loaded in a dark green Chevrolet panel truck, and that the date of the sale of the slot machines was February 20, 1951. He further stated that [redacted] wishes to cooperate with the FBI in every respect and will try to arrange his itinerary in an effort to be interviewed by the writer.

AT NEW HAMPTON, IOWA

[redacted] Post No. 38, advised that at some time, either in December 1950 or January 1951, he was contacted by a man, who appeared to be 30 years of age and who also appeared to be Jewish, who offered to buy any slot machines the club might possess, and after looking at the eight slot machines he said he would buy them for \$400.00. [redacted] said he refused to sell at that

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price and told the man he wanted \$1000.00 for them as they were in excellent condition. The man said that this was a ridiculous price and pointed out that it was illegal in the State of Iowa at this time to even possess a slot machine. This man left a card with his address and telephone number and informed him that if he, [redacted] changed his mind and wanted to sell, to telephone him. He said that a few days after this contact he received a telephone call from a woman in Minneapolis who offered to buy the machines for \$500.00, but he said he refused the offer. A few days after he received the above telephone call a man telephoned him from Minneapolis and said he would give him \$600.00 for the eight slot machines and that this was going to be the last and final offer. [redacted] rejected this offer and advised him that he wanted \$1000.00 for the machines, whereupon the man stated that price was ridiculous. [redacted] reflected that at no time when contacted by telephone for the purchase of the machines did the person calling give his or her name.

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[redacted] searched the premises of the Legion Club but was unable to locate the card which bore the name and telephone number of the man who contacted him for the purchase of the slot machines. He advised that since the last telephone call heretofore mentioned, he has not been contacted either by phone or in person by anyone wishing to purchase the slot machines. He stated, in confidence, that the Legion Club still possesses their slot machines. [redacted] was shown a photograph of Subject [redacted] but he could not give a positive identification as to whether or not this was the same individual who contacted him concerning the purchase of the slot machines. He stated that he would cooperate with the FBI in any way possible in this matter and that if he were ever contacted again by anyone wishing to purchase the slot machines, he would immediately contact an Agent of this office.

[redacted] Knights of Columbus, advised in confidence that his club possessed one slot machine. He stated that the club still possesses this slot machine and that to the best of his knowledge he was never contacted by any individual inquiring to buy slot machines. He further stated that in the event he is ever contacted by persons wishing to buy slot machines, he would immediately contact an agent of this office.

AT ALGONA, IOWA

[redacted] VFW Club, Post No. 2541, Algona, Iowa;
[redacted] Moose Club; [redacted] American

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Will endeavor to contact Confidential Informant [redacted] for any information which he might have developed concerning Subjects in this case.

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THE OMAHA DIVISION

AT CHARLES CITY, IOWA

Will interview [redacted] in regard to the sale of five Jennings machines by the VFW Club on February 20, 1951.

AT CLAIR LAKE, IOWA

Will interview [redacted], All-Vets Club, in regard to his contact with the HERMAN PASTER interests around March 1951 concerning the sale of slot machines.

AT MASON CITY, IOWA

Will contact officials of the Knights of Columbus Club to determine the disposition of their slot machines.

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AT OSAGE, IOWA

Will interview [redacted] in regard to his part in assisting the HERMAN PASTER interest in obtaining slot machines in Northern Iowa.

REFERENCE: Report of SA [redacted] dated April 5, 1951 at Omaha, Nebraska.
Report of SA [redacted] dated November 5, 1951 at Omaha, Nebraska.
Omaha letter to Minneapolis dated October 29, 1951.
Omaha letter to Chicago dated November 16, 1951.

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

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